Position of Straus Investors

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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The Nation's Business

Surprises Found in Duff Committee Complete Report

Mr. Bennett's Campaign Funds

St. Lawrence Canal Propagandists Want No Discussion

Oppose Canal Tolls

Business Before Speeches at Ottawa

Complete Duff Report is Thorough Survey

THE complete report of the Duff Commission makes it clear that the original brief summary issued by the government did less than justice to an important and valuable document. In fact the original summary, which contained only a brief outline of some of the recommendations of the Commission, turns out now to have been a very unintelligently prepared précis. The complete report contains most damning evidence of political extravagance on the government owned lines and of unbridled competition between the C. N. R. and the C. P. R. The independently presented tale of this race to insolvency may indeed have more influence on public opinion in Canada than the recommendations that are designed to pull "the red thread of extravagance" out of the railway fabric. On the whole, the complete report is a series of illuminating surprises.

It is surprising that the original summary overlooked entirely mentioning the fact that the commission had some ideas after all on bus and truck competition. In fact the chapter on highway competition is about the first independent analysis of the question of highway transportation, in its relation to public service, taxation and railway competition with the railways, that we have had, and its recommendations will be studied no doubt by all the provincial cabinets.

The Duff Railway report is one of the most important public documents ever to be published in Canada as it has a direct bearing upon the financial integrity of the country and hence upon the social and political development of the nation. It is fortunate that there will be ample opportunity for public and press, parliamentarians and publicists, to study it carefully before it comes before governments for action.

The Financial Post proposes to publish in subsequent issues a series of considered analyses of the points made by the Duff Commissioners.

* * *

How to Finance Election Campaigns

THOSE who know Prime Minister R. B. Bennett best will see nothing sinister nor particularly objectionable in the statement now current in the press to the effect that he financed the Conservative party in the 1930 general election to the amount of $750,000.

The originator of this statement apparently is F. W. Turnbull, Conservative member for Regina in the House of Commons. In an address to the Arthur Meighen Club of Regina he said that the Prime Minister had "placed $750,000 of his own money in our campaign funds and not much more than that was spent."

This statement has received wide publicity, has been commented upon by the western press, particularly the Vancouver Sun, and there is plenty of evidence in party circles at Ottawa that the Liberal opposition intends to make a great play with this political manna which has dropped from the heavens into their hands. Mr. Bennett has not denied the report and since it has been common gossip that he made very generous gifts to the party war chest, the facts probably are true.

* * *

UNDOUBTEDLY Mr. Bennett's contribution to the funds of his party will be used by the Liberals as an issue to create suspicion of the Prime Minister in the public mind and to blot out or offset the Beauharnois scandal. The issue, of course, involves the whole question of campaign funds. Everybody knows that general elections cost each party about $1,000,000 apiece. The money must come from somewhere and all that need be decided in this case is the question as to whether or not the public wants parties indebted to commercial interests or to their own members.

Had Mr. Bennett been a poor man, the Conservatives in 1930

(Continued on page 2, col. 3)

NOVA SCOTIA POWER HOLDS ITS POSITION

Net Operating Income Off Slightly First Eight Months

EXPENSES REDUCED

Premium on Bond Interest and Other Factors May Lessen Stock Earnings

From Our Own Correspondent

MONTREAL.—Nova Scotia Light and Power Co.'s earnings during the first eight months of 1932 compare favorably with those reported for the same period a year ago. Preliminary figures indicate a minor decline in gross revenues, which is offset by a corresponding decrease in expenses, so that net operating income remains much the same.

Conditions in the territory served by Nova Scotia Light — centring on Halifax —have probably been better to date than those experienced in other large urban areas. The change from the boom conditions in 1928 and 1929 is apparent, of course, but the decline in activity has been less pronounced than elsewhere.

Of its three main divisions of operations, the power and gas divisions report earnings as holding up to last year's standard. The tramways division has not done so well, a condition common to most tramway systems in the country. In 1931 the company's Halifax tramways system showed a decline of nearly 1,000,000 in the number of passengers carried. Last year 11,387,465 passengers were carried at an average fare which was lower than any year since the five cent fare was abandoned in 1920.

Buy Power Supply

Last year Nova Scotia Power generated and purchased 36,761,985 kw.h. of electric energy, or about five per cent more than in 1930. This year it is expected that power requirements will be roughly the same as in 1931. Of the amount purchased used last year 78 per cent was purchased from the Nova Scotia Power Commission and practically all the balance from the Avon River Power Co.'s system.

The interconnection of these two systems and the steam stand-by plant in Halifax has allowed of greater flexibility of operations and will likely be reflected in more economic use of power resources available.

Gas sales for 1932 are expected to compare favorably with those in 1931, when they totalled 157,879,200 cubic feet. This represented an increase of more than 12 per cent over that reported in 1930. The company has been a strong advocate of the use of Nova Scotia coal for gas making.

Income From Investments

Another source of income for Nova Scotia Power is from its investments. At the end of last year the company had $1,348,280 invested in and advanced to subsidiary organizations, principal of which are the Avon River Power Co. operating in the Annapolis Valley and the Dartmouth Gas, E. L. H. and P. Co. It also has a stake in several other small companies, such as the Chester Light and Power Co., Eidson Electric Light and Power, Sackville River Electric Co.

The income from these investments will not be fully determined until the close of the year. It is expected that revenue derived by the parent companies from these subsidiaries will be somewhat less this year, though probably not enough to make any material difference to its income position.

Income will be affected, however, by the premium paid for

(Continued on page 2, col 6)

Canadian Heavy Insurance Buyers

From Our Own Correspondent

MONTREAL. — Three Montrealers are among the eight Canadians reputed to carry over $1,000,000 of life insurance. Percy P. Cowans, stock broker, is credited with $2,250,000 in life insurance and leads the list in Canada. John C. Newman, recently appointed chairman of the Montreal Harbor Commission, and president of General Steel Wares Ltd., holds policies totalling over $1,000,000. John W. McConnell, president and managing director of the St. Lawrence Sugar Refineries, appears in the list as carrying $1,000,000 in life insurance.

The other five Canadians are Harry C. Hatch, chairman of the board of Hiram Walker-Gooderham & Worts, Toronto, who has purchased policies totalling $1,532,000; F. W. Leistikow, Winnipeg, is said to have $1,250,000 in policies covering his life; Dr. T. H. Leggett, Ottawa, appears on the list with $1,250,000, and Col. Frederick H. Deacon, Toronto financier, has the same amount of life insurance; George T. Fulford, of Brockville, is credited with $1,000,000 in policies.

Provinces Now Seize Farmers' Grain Crops For Arrears of Taxes

In Alberta, New Plan of Debt Adjustment is Unpopular

BIG HOUSES PROTEST

Committees of Three Empowered to Determine Amount Farmer Can Pay on Debts

From Our Own Correspondent

CALGARY. — Wholesalers and implement dealers in Alberta are objecting strongly to Premier Brownlee's newest proposal which provides for a plan of what he terms "voluntary debt adjustment." The benchers of Calgary and Edmonton have approved the scheme which would set up in each judicial district in the province a committee of three members each to be appointed by order-in-council. Through this committee and a solicitor in the district an effort would be made to effect a compromise in debts. The fees would be paid by the provincial government. The committee's first duty would be to advise any person in financial difficulties and, if any arrangement could be made with his creditors, to certify in writing to this effect. The solicitor engaged would call together the person's creditors and try to organize a basis of composition. An inspector would be nominated when required. The final step would be the issuing of a certificate under the Debt Adjustment Act.

Wholesalers protest that any such scheme woud disturb existing arrangements as between wholesalers and retailers and would endanger present sources of credit. They have forwarded a formal protest to the government.

Asks Better Scheme

The implement dealers, who are among the farmers' biggest creditors, claim that many details of the Brownlee plan should be readjusted and that action should be deferred until they be given time to study the matter and be permitted to present their arguments in person.

Not all the lawyers favor the scheme. Those who handle mortgages and the business of wholesalers, retailers and others involved are opposed to the project.

A. C. Fraser, of Calgary, local manager of the London and Western Trust Company Limited, made this comment:

"It is my view that 80 per cent of the farmers are now negotiating satisfactory extensions or compromises and are receiving the utmost co-operation and practical sympathy from their creditors. The other 20 per cent are persons under the Debt Adjustment Act and in most cases the history of their operations would indicate that they are not entitled to any sort of protection. The communities in which they live and the province would be better off without them."

Towns Seize Wheat

Alberta farmers, with the best crop they have harvested since 1928, and possibly since 1923, are not marketing a bushel more than they can help. Wheat nets them at Calgary, for example, 28 to 30 cents a bushel at current prices and they claim that selling at these quotations means that they must take a ruinous loss. Ordinary creditors are not forcing them to meet their obligations. The most strenuous collectors are the municipalities in which the farmers live. In quite a number of instances the municipalities are seizing one-third of the wheat for back taxes and advances for seed, food and other necessities. The farmers admit the debts but they complain to the provincial government that the municipalities might wait until prices improve so that not so much wheat will be required to liquidate obligations. The municipalities have a perfect right to make seizures and so far the government has not taken any restraining action although the press of the province is unanimous in supporting the farmers' argument.

Newspapers Critical

Municipalities in Alberta and Saskatchewan which are seizing one-third of a farmer's wheat for back taxes and other obligations are not receiving any warm measure of praise from the daily press. The Edmonton Journal editorially notes that the municipality of Sifton is boasting that 85 per cent of its tax arrears have been paid up and calls the attention of that municipality to the fact that this clearing up was due to the seizure of 75,000 bushels of farmers' grain. The Regina Leader quotes one farmer as charging that his most heartless creditor was the municipality in which he lived—it was more pressing than the banks, the loan companies or the implement concerns. In this connection, the Journal observes:

"This attitude on the part of the municipalities is interesting. The people are the municipalities; the municipalities are the people. The municipalities are, in a small way, the state. One wonders, if under state control of all credits, everything would be as lovely in the garden as some people would have us believe. Evidently the state can be too hard a taskmaster too."

Market For Electrical Ware

Statistics indicate that there is a gradually expanding market for all kinds of electrical ware in the United Kingdom, writes G. A. Newman, Assistant Trade Commissioner at London, in the Commercial Intelligence Journal.

In Saskatchewan, One Year's Taxes Rank Ahead of All Else

CREDITORS ALARMED

Elevator Companies Notified of Tax Liability of Those Delivering Grain

From Our Own Correspondent

REGINA.—Rural municipalities in Saskatchewan are taking a course unprecedented in Saskatchewan for the collection of taxes, and from one end of the province to another have been making, or threatening to make, seizure of crops for taxes. A farmer who arrives at his elevator with a load of wheat is likely to be confronted by a notice that makes it impossible for him to get money for his grain until he has first satisfied the amount of the municipality's claim, or until he has obtained a release. A good deal of discussion is in progress on the new plan, but it develops that there is perhaps greater criticism from other farm creditors than from the farmers themselves.

Until this year, the initiative with respect to tax payments on farm lands was left with the owner himself. Pressure for collection was considered unnecessary, and in fact usually was so, because unpaid taxes remain as a lien against the land, and within due time result in its being seized and sold to satisfy the tax claim. Farmers, as a rule, have been more prompt than city people to see to tax payments. Where land is mortgaged the mortgagee could be dependend upon to be rather more concerned about the payment of taxes than about the collection of interest. But, during the past three years, over a large part of the province, taxes remained unpaid to a considerable extent, and necessarily so in the dried out areas to a very large extent. Tax sales were postponed, in order to prevent the ownership of farm lands from passing out of the hands of actual occupants. The total of unpaid municipal taxes rose to over $18,000,000. Formerly such taxes due had been regarded as good security against which municipalities might borrow from banks, but the time had passed when more borrowing of this sort might be done. Maintenance of schools and of other municipal services was dependent upon money that might be currently raised.

Seize Grain on Farms

To meet the situation it was arranged that tax collectors, officers hitherto unknown except in the persons of the municipal treasurers, should be appointed, and it became their duty to search out taxpayers. Notice of tax claims was filed in country elevators, and by agreement with the Saskatchewan Relief Commission, payment of one year's taxes was to take precedence over any claims that might be filed by that body. In a limited number of cases tax collectors have distrained upon grain still on the farm. The more usual procedure is to insist that tickets for grain delivered shall be held until the municipality has released its claim, which is frequently done upon enough grain tickets being endorsed over to the municipality to cover one year's taxes. As a rule no effort is made to collect taxes for more than one year.

To a considerable extent farmers are acquiescing in this procedure without protest. To begin with they are citizens of the municipality, and quite aware that schools and other services cannot otherwise be continued. Then, as land owners, they prefer that their taxes should be paid ahead of any other debts, and if any creditors are going to seize their crops, they prefer that it should be their own municipal representatives.

Other creditors, have been less well pleased, and there have been cases where creditors have attempted to obtain priority by sending trucks around to farms to take grain on part payment of accounts. But this has not worked well, because on delivery of grain to an elevator it has been necessary to declare from what land it came, and then to find that it was subject to seizure until prior claims for municipal taxes and government relief repayments had been met.

Old timers in real estate speculation are pondering what effect might have been incurred had the doctrine of personal responsibility for land taxes been earlier enforced. It was a commonplace feature of such speculation for owners who were tired of their purchases, especially of suburban city lots, to allow them to be sold for taxes, and few people ever thought of any liability beyond the value of the land itself. Occasionally companies holding land, or wealthy individuals would take the precaution of transferring worthless land to a worthless corporation, in order to avoid the dangers of a possible suit for tax collection, but the usual procedure was to allow tax sale proceedings to wipe out tax liability on lots that were not considered to be worth holding. There are probably few Westerners who have not in the past had the experience of letting lots go for taxes, and who would not have been annoyed if they had been pursued for taxes instead of the land being taken.

FANNY FARMER REDUCES PRICE REPORTS GAINS

Change in Sales Trend During September is Good Sign

PROFIT EXPECTED

Results of Last Quarter May More Than Cover Losses in Early Months of 1932

Improvement in business during September, following immediately on a reduction in prices of its candy, is regarded by executives of Fanny Farmer Candy Shops, Inc., as a turning point for the company. If the improvement continues it is possible that the company can show a net profit of $100,000 in the current year which ends December 31, in place of losses shown during the first part of the year. Chief improvement would come in 1933, however.

September sales, totalled $280,386, an increase of over 10 per cent on September sales in 1931. Sales so far in October are understood to have maintained the same proportional gain. Not only were sales increased in September but operating expenses were lower than in the same month of 1931 due to reductions obtained in rents and operating economies effected so that profit was higher. Sales to the end of September were lower than in the same period of 1931 but the business to be done in the last quarter is expected to make up a good part of the difference.

Operating 147 stores and six manufacturing studios located in Eastern United States and in Minnesota, Fanny Farmer Candy Shops, Inc., has been severely affected by business conditions in the United States and in the first eight months of 1932 gross sales dropped 16.7 per cent below the volume for the corresponding eight months period in 1931. In 1931 sales were 8.4 per cent under those of 1930. The company made various economies in operating costs and while it has shown from year to year an increasingly strong financial position, the directors of the company decided that in view of highly uncertain conditions in the United States it would be advisable to defer dividend payments on the common stock until a brighter future was more or less assured. The payment ordinarily paid on July 1, 1932, was not declared.

Reduced Prices

In May the company tried out reducing prices on its candy sold through its Minneapolis and Milwaukee stores from 70 cents to 50 cents a pound and the results of this experiment were so satisfactory that during September prices were cut in all of the eastern stores. Prices in the New York shops, of which the company has 46, were reduced from 80 cents a pound to 60 cents a pound with a rate of 50 cents a pound on orders of two pounds and over while in all the other eastern retail outlets price was dropped from 70 cents to 50 cents. Sales in New York immediately showed a substantial increase in volume amounting to 22 per cent in a recent week. This increased volume enables the company to reduce unit cost of production and thereby increase its net profit.

While the company had a loss at the end of August as compared with a profit in 1931, the last quarter of the fiscal year is an important period. Much will depend upon the Christmas trade, but the outlook at this time is considerably improved and further improvement in business is expected to have a considerable effect upon the holiday trade.

Fanny Farmer Candy Shops, Inc., is the United States counterpart of Laura Secord Candy Shops Ltd. The management is the same and control of both companies is owned by F. P. O'Connor. Laura Secord Candy instituted price reductions in 1931 and in the fiscal year just ended on September 30 is understood to have increased unit volume of sales and maintained dollar volume of sales at the 1931 level. The experience of the two companies has not been similar during the past two years due to difference in operating conditions but price reductions instituted recently by Fanny Farmer Shops are expected to show good results in 1933 and may therefore parallel the Laura Secord record.

With the extent of the Christmas trade as yet uncertain it is not possible to indicate net profit for the year ended December 31 with any degree of exactitude but $100,000 net for the year is believed possible. On that basis taxes and preferred dividends and preferred sinking fund requirements would be covered with some margin and resumption of common dividends would undoubtedly receive consideration. The liquid position has been built up since 1925 and current assets chiefly consist of cash and government and municipal bonds. Current liabilities are negligible and amounted to only $61,098 at December 31, 1931, while current assets totalled $1,076,097. Due to the passing of the common dividend this year surplus will have been kept intact at least and with a definite improvement shown in the trend of sales, payment of the common dividend might easily be resumed.

Fanny Farmer Candy Shops has outstanding some 99,576 shares of no par common stock and at December 31, 1931, had outstanding 15,757 shares of no par preferred.

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Straus Failure

Canadian investors largely protected by trustee sinking funds on their individual issues. Survey of situation as it affects Canadian investors. Page 1.

Central Bank

Parliament has postponed action on a central bank for Canada but that will not postpone discussion. In the second of a series of articles on a central bank for Canada, A. F. W. Plumptre tells just how a central bank functions to control credit and exchange values. Page 3.

Sieze Grain Crops

Municipalities in Alberta and Saskatchewan are siezing farmers' grain to cover taxes. Other creditors are trying to help farmers adjust their debts. Authoritative articles from our Calgary and Regina correspondents. Page 1.

Market Leaders

Moore Corporation is discussed this week as a stock that has possibilities of ranking among the stock market leaders of tomorrow. The article will be found on page 11.

Silver Tails

The box industry has been seeing troublous times but now the outlook has greatly improved. Page 7.

Ads. Bring Tourists

And tourists bring capital, factories and other advantages besides the money they have to spend. The director of the B. C. Publicity Bureau tells how advertising helps communities. Page 3.

Profitable Canal

Big profits are made by the Manchester Ship Canal, which is owned by a private corporation although the City of Manchester has a large financial stake in the company. Canadians who wonder why the taxpayer in this country should bear the cost of operating our canals for shippers of the world to use freely will find the article illuminating. Page 8.

World Revival

No country in the world will be prosperous until there is general world recovery. That is why the World Economic Conference, to be held shortly, means a lot to Canada. Page 8.

Canadian Investors Not Greatly Affected By Straus Receivership

Trustee Funds Stated to Be Segregated For Bondholders

CANADIAN RECORD

Serial Maturities in Doubt on Some But Interest Appears to Have Been Earned in Each Case

Placing of the S. W. Straus & Co., Inc., in receivership may little affect the many Canadians who have purchased real estate bonds sponsored by this old-established United States firm of investment bankers. S. W. Straus & Co. issues on the security of Canadian properties are comparatively few. Canadian investors, however, have purchased a considerable volume of Straus sponsored securities and an affiliate maintained an office and sales staff in Toronto for nearly a decade. In most cases an officer of S. W. Straus & Co. Inc. acted as trustee or co-trustee for the Straus issues and the statement made to the National Trust Co. that trustee funds had been segregated for the benefit of bondholders would appear to clear up an important point and indicate that the receivership will have little direct effect on bondholders.

Straus Receivership

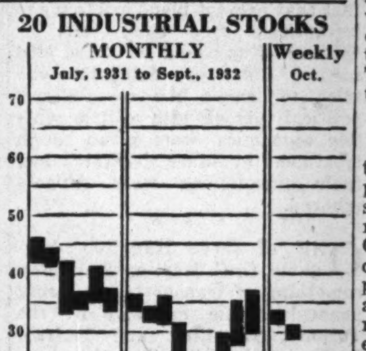
Ordered into temporary receivership and enjoined from further dealings in securities except under certain conditions S. W. Straus & Co. Inc. is charged by public officials in the United States with "fraud on the public generally." One of the pioneers of real estate bonds, S. W. Straus & Co. is said to have sold $1,000,000,000 of real estate bonds and of this total a large proportion is in default. Officers of the company are appealing the receivership action and state that in so far as any of the practices complained of by the Attorney-General were ever employed by S. W. Straus & Co. they were voluntarily discontinued more than 18 months ago.

The receivership is stated to not affect S. W. Straus & Co. of California, S. W. Straus & Co. of Illinois, Straus National Bank & Trust Co. of Chicago, S. W. Straus Investing Corp. or Super-Corporations of America Depositors Inc. S. W. Straus & Co., Ltd., which formerly operated in Canada is now quiescent and does not appear to be affected.

The principal Straus issues in Canada date from 1923 and include

(Continued on page 2, col 5)

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 11	31.7	29.3
Week of Oct. 4	33.4	31.5
Month of Oct., 1931	36.0	32.9
8 Bank Stocks		
Week of Oct. 11	181	180
Week of Oct. 4	181	179
Month of Oct., 1931	216	216
10 Public Utilities		
Week of Oct. 11	50	47
Week of Oct. 4	52	50
Month of Oct., 1931	59	56

Acadia Sugar Co. Maintains Earnings

From Our Own Correspondent

MONTREAL.—Earnings of Acadia Sugar Refining Co. for the first eight months of the current year are understood to be on a higher basis than those reported during the corresponding period of 1931.

Since the application of the dumping duty in 1930 the position of this and other sugar refining companies has steadily undergone an improvement.

Earnings of Acadia Sugar have improved to such an extent over the past 18 months that steps have been taken to clean up the arrears of dividends on the preferred which amounted to about 23 per cent at the beginning of this year. Two extra dividends of one per cent have been paid on the stock this year to date.

MORE CHANGES EMPIRE DUTIES STILL TO COME

New Schedule to be Enlarged by Tariff Board

From Our Own Correspondent

OTTAWA.—With the texts of the Imperial Economic Conference agreements and the major tariff revision announced Wednesday, the first installment of the results of the Ottawa parley has become effective.

There is a general tendency to believe that the full benefits of the Conference have now been realized. But this is entirely erroneous. Two additional installments, both equally if not more important than the first, are still to come. The tariff changes announced on Wednesday by Hon. E. N. Rhodes are but the beginning of the revision of Canada's preferential tariff. The bulk of the items now awaiting enactment by Parliament comprise the list of articles drawn up primarily by the Canadian manufacturers and are composed of articles not manufactured in this country. The purpose here is to divert trade to the Empire. In addition, however, there are the iron and steel changes which constitute an important part of the direct negotiations between the Canadian and British delegates. This, also, applies to some of the textile changes.

Tariff Board to be Busy

But the most important part of the tariff revision, from the British point of view, is to come as a result of the investigations to be carried out by the Canadian Tariff Commission soon to be set up. This commission, in keeping with the provisions of the Anglo-Canadian agreement, will be instructed to arrive at decisions as to the difference in production costs between the two countries, and our entire preferential tariff will gradually undergo revision in the light of the Commission's findings.

The second installment is the enactment by the British Parliament of the tariff changes, the preferences and the quotas, which are to be granted to Canada.

Provide Much Employment

Pulp and paper industry gave employment to 26,669 people in Canada last year. The amount paid out in salaries and wages to these workers totalled $34,792,013.

FEDERAL LOAN SOON TO COME SAY DEALERS

Yield of Near 4.65 p.c. is Anticipated — Lowest Since Before War

SAY 4½ P.C. COUPON

$150,000,000 Issue is Possibility With Maturity of 15 or 20 Years — Rumors Rife

Before the end of October the Dominion will have announced the terms of its new loan and there is a distinct possibility that this major piece of Canadian financing will have been completed in the opinion of prominent bond dealers. Representatives of the larger Toronto and Montreal bond houses and of the chartered banks are reported to have been in Ottawa last week in conference with treasury officials and while no details of the coming loan were given out it is believed that the loan is imminent.

Speculation is rife as to the terms of the issue as well as the amount. Rumor places the total at $100,000,000 but $150,000,000 may be nearer the mark unless an issue is also placed outside the country at a later date. A 4½ per cent coupon rate seems probable and street gossip would indicate that there might be a long and a short term maturity. The Dominion does not have a heavy schedule of maturities from 1944 to 1957 but $276,688,100 of the Conversion Loan issue falls due in 1958 and would seem to bar a maturity of 25 years for the coming issue. This would leave possible maturities of the new issue at 15 or 20 years.

Expect 4.65 Per Cent Yield

For the past few weeks Dominion obligations maturing in 15 and 20 years have been selling on a yield basis of close to 4.60 per cent and it is probable that the new issue would be brought out to yield around 4.60 to 4.65 per cent. On this basis a 4½ per cent bond maturing in 1947 would be offered at 98½ to yield 4.64 per cent while a 4½ per cent bond maturing in 1952 sold at 98 would yield 4.65 per cent. At present rates of exchange an issue brought out on this basis would yield around 5.40 per cent to United States investors and might bring out orders of from $5,000,000 to $10,000,000 from that quarter despite the fact that principal and interest payments would be made in Canadian funds.

With a good market for short term bonds there is little doubt in the minds of bond dealers that a short term maturity would be readily taken up by banks and institutions. In 1933, however, the Dominion must refund $169,971,850 of 5½'s and $226,138,350 5½ per cent Victory Loan bonds come due in 1934. This leaves 1934 as a possible maturity and also 1935 when there is little or no refunding to be done. In November, 1931, the Dominion offered the National Service Loan in two maturities, 1936 and 1941, and Ontario and some of the larger municipalities followed the same course this year.

Cost Lower Than Average

The Dominion needs money for the refunding of the $35,799,950 5½ per cent renewal loan which comes due on November 1, to provide funds for unemployment relief which were not included in the last federal budget and to finance various federal projects. Funds are also needed to cover the deficit on the Canadian National Railways estimated at $50,000,000 in the current year while the Dominion Government can be expected to end the current year with a deficit due to smaller returns than anticipated from new taxation.

Improved conditions in the bond market materializing in the past three months assures the Dominion of a much lower cost of financing than was the case last November when the National Service Loan was brought out. The yield to investors in that instance was 5.17 per cent on the five year bonds and 5.12 per cent on the ten year bonds. The cost of the new financing will be well below the average cost of financing since 1915 and it is probable that the coming issue will carry the lowest yield on a long term bond that has been obtained since before the war financing with the exception of a $40,000,000 4½ per cent 10-year loan placed in the United States in 1926 which gave a yield of 4.65 per cent.

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Light grey with blue striped borders
Size about 56 x 76". Wt. about 5 lbs. Pair, $4.75.
Size about 60 x 80". Wt. about 6 lbs. Pair, $5.75.
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Size about 72 x 90". Wt. about 12 lbs. Pair, $15.00.

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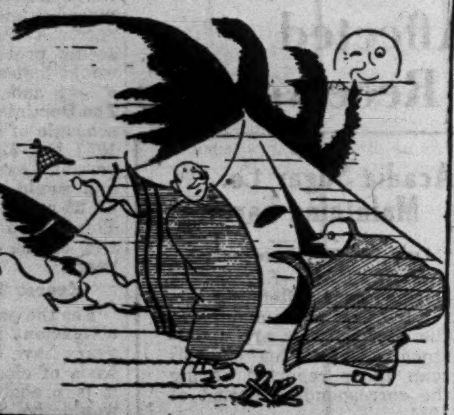

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RECENTLY The Financial Post published a series of eleven articles on the ten depressions that Canada has come safely through in the last one hundred years, and on the eleventh which she is now experiencing. Tremendous interest was shown by many readers in these articles; they have now been reprinted in the form of a small booklet which is available at nominal cost.

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The Nation's Business

(Continued from Page One)

would have got the money in any case. The fact that Mr. Bennett put up so handsomely — though this is not yet proved — enabled the party to refuse contributions whose acceptance would have been tantamount to a pledge to grant favors if elected. Mr. Bennett would have been Prime Minister in any event. As the Prime Minister, divorced completely from commercial interests, there is no way in which he could hope to profit from the transaction or even regain his money.

To those who know him, there will be nothing sinister in the transaction. Mr. Bennett is doing his best to serve this country. Of that there can be no doubt. He has made mistakes, but they have been errors of judgment from which even Prime Ministers are not free. But as to his sincerity, his disinterestedness, his desire to serve — there can be no question.

* * *

AS BETWEEN campaign fund contributions from a party leader and those from an industry seeking favors, the former are much more in the public interest. The only moral which properly can be drawn is that some method of abolishing campaign funds as we know them is required. The present system of private collections, unattended by publicity, is inefficient and sometimes degrading to our public life. No one is better aware of this than Mr. Bennett, as his speeches in Parliament between 1912-17, when the railway lobbies were in full swing, eloquently testify.

ONE chief weakness in the present system is that it is not efficient, that expenditures are not made in a proper way. Anyone familiar with the seamy side of Canadian politics in the past 30 years will recall more than one occasion when large sums of campaign funds disappeared and, because of their nature, could not be recovered. There was the case, in one of the western provinces, only a few years ago when a prominent party man collected a large fund with which to finance an impending election. He accepted contributions as gifts to himself and kept no accounts. He informed his party colleagues of the success of his drive but, unfortunately for the party, he died, suddenly, just as the election campaign began. His wife, who had never been aware of the extent of his political activities and who believed him to be much richer than he actually was, indignantly repudiated any suggestion that a large part of his cash estate belonged to the party. As legal action was impossible, in the circumstances, the party simply lost the money.

It is a false sense of right and wrong which causes our politicians to go to any length to hide campaign funds. Elections cost money: the public knows they do. Why not place these funds on a proper basis and remove this cancer from our public life?

Two reforms are called for. First there should be absolute publicity for all contributions. Secondly, there should be more small contributions by members of the different parties.

Canal Propagandists Brook No Discussion

THERE is in existence an organization known as the Great Lakes Harbors Association, which performs various functions, some of them useful enough, but a chief one of which seems to be at the moment the dissemination of propaganda favorable to the development of the St. Lawrence Waterway. In this it is aiding and abetting the so-called Great Lakes-Tidewater Association. There is nothing improper in a group of interested citizens banding themselves together to create public sentiment favorable to some project from which these citizens or their interests hope to benefit. But a word about such associations is in order.

Most of the big public spending projects are boosted by associations who go before and prepare the way for the politicians to win public support that will make possible huge contracts for promoters and supply houses who stand to benefit. The On-to-the-Bay Association was a group of well-meaning and thoroughly sincere western citizens who spent a lot of money pushing the Hudson Bay Railway. The Ontario Municipal Electric Association is a group of Ontario civic politicians who are prepared at any time to rally support for any large scheme of the Ontario Hydro-Electric System when the public is diffident. Evidence of how public associations are formed or used for private propaganda is contained in the U. S. Federal Trade Commission's report on the electrical utilities. Such associations, whether genuine or dummy in character, all play directly into the hands of promoters and large scale contractors.

* * *

THE St. Lawrence Waterway propaganda has been effective enough at least to bring into being a treaty between Canada and the United States providing, if ratified, for the construction of a deep ship channel in the St. Lawrence River. One would think that now the Great Lakes Harbors Association would discuss at its meeting important questions of policy that will arise if and when the canal is built. But such is not the case and any one who attempts, at one of its meetings, to go beyond the point of making a political speech on the glorious conquest of nature that this waterway will represent, and on the huge long lines of ocean vessels that will steam across the waters of the Great Lakes, is put in his place at once.

This happened at the recent Hamilton convention. The association was framing a resolution extolling the St. Lawrence Waterway and speaking of it as "largely self liquidating," which can only mean that it would pay its own way. Two delegates from the Hamilton Chamber of Commerce warned that whatever might be said of the power phases of the development, the canal could hardly be regarded as self-sustaining in view of the fact that present plans are to make it entirely free from tolls or charges of any kind for those who use it. But these delegates who tried to leaven the association's political rubbish with a little sensible economics were given rough treatment by other delegates and their submissions were entirely ignored.

* * *

ONE of these Hamilton delegates, G. C. Martin, who knows something of transportation, being general traffic manager of the Toronto, Hamilton and Buffalo Railway, advocated that the association favor the payment of tolls on the canal to take care of maintenance and operating charges and interest on the capital expenditure involved, in order that the beneficiaries of the canal might bear the cost of it instead of having the charge levied upon the people of Canada and the United States as a whole. Mr. Martin explained that he was but presenting the views of the Hamilton Chamber of Commerce and he very aptly declared that, with the opening of the western grain route and the Hudson Bay railway, public opinion towards the St. Lawrence project had changed in recent years in Canada.

An immediate protest against the charging of tolls was made by James Simpson, who besides being vice-president of the Trades and Labor Congress of Canada, is an active city politician in Toronto. Mr. Simpson may or may not be aware that labor in Canada favors the charging of tolls on canals and waterways. In his comments on the Duff Railway Report, Tom Moore, president of the Trades and Labor Congress, urged the charging of canal tolls. At the recent annual convention of the Labor Educational Association of Ontario the delegates went on record as favoring the payment of tolls by vessels using the Welland Canal.

* * *

IN ANY event Mr. Martin was asked to write out a question to be placed in the questionnaire box. He placed this question in the box;

Available information indicates that the expected tonnage will be:

Canada	7,000,000 tons
United States ...	20,000,000 tons

Approximately 75 per cent of the canal system (including Welland Canal) will be in Canadian territory.

Canada's expense for its canal system in 1931 is given as $14,600,000, or $1.46 per capita.

When the St. Lawrence Deep Waterways is completed, what will be the cost to the Canadian taxpayer for interest, maintenance and operation?

During the year 1931 Canadian tonnage passing through the Panama Canal paid an average toll of 98¼c per ton, or $3,600,000.

The tonnage charge through the Suez Canal is $1.50 per ton.

In fairness to the taxpayers of Canada and the United States, should there not be a reasonable toll assessed on canal tonnage?

It was never put before the assembly, the chairman refusing to read it even when requested by Mr. Martin to do so. Further attempts by Mr. Martin and by F. I. Ker of Hamilton to bring the question of tolls before the meeting merely brought abusive attacks from other politicians among the delegates. The high sounding resolution endorsing the project as self-liquidating went through with flying colors. Probably the passage of the resolution was the only real reason why the association was called together.

The incident is not without significance. It is typical of the way public opinion is railroaded into support of huge schemes for the spending of the taxpayers' money, supposedly for the general benefit of the people, but primarily for the benefit of a small group of contract-grabbers and secondarily, for the benefit of a small proportion of the population, who will be provided special facilities at the general expense of the country. The major portion of the debt of Canada and the portion that today makes the distance between financial soundness and insolvency in Canada distressingly small was incurred in the same way, through unnecessary railways, canals, and other public works.

* * *

THE Financial Post has already pointed out that most of the important canals of the world, including the Panama, Suez and Manchester Ship Canal, are operated on a basis of charging tolls. People who benefit from those waterways pay for them. But in Canada, all of our canals are operated at public expense and at a cost, at present, of about $7.50 per family per year, which will probably be more than doubled when the St. Lawrence canal is built and operating.

In the St. Lawrence Waterway treaty the only reference to the division of annual expense is the provision that the United States shall pay the expense of operating the works on its own side of the development. But tracing through the various canals from Lake Superior to the St. Lawrence river, it will be found that most of the locks, and the more expensive ones, are or will be in Canadian territory, which simply means that Canadian taxpayers as a whole will pay the major portion of the annual operating cost of the St. Lawrence-Great Lakes waterway system although it is estimated that at least 75 per cent of the traffic will be American. There is no such international generosity when Canadian traffic passes through the Panama Canal. Here Canadian cargoes pay about $3,500,000 a year in tolls to the United States government.

* * *

BUT apart from the unfairness of the division of the burden between Canada and the United States, there is the more fundamental question of the unfairness of saddling the general taxpayer with the entire cost of a development that has a value only for a few.

What do British Columbia and the Maritimes think about it? For that matter what does the Ontario taxpayer think about an arrangement by which he will have his taxes increased to provide a canal that may be used freely by the vessels of any nation to carry traffic in which he has little direct interest?

Business Before Speechmaking

AMONG the functions of Parliament, that of debate is one of the more important ones. In the debates the views of different groups in the country and of different areas are brought to the attention of the whole of the people and to the attention of the government.

Some members of Parliament minimize the importance of debate. Others exaggerate it. Perhaps it would be fair to say that the Progressive group in Parliament place stress too much upon the debating activities of Parliament. Some of them would put the debate ahead even of special or pressing business.

When Prime Minister Bennett arranged to expedite consideration of the Imperial Conference agreements and other special work of the current session of Parliament by having the debate on the Speech from the Throne restricted to a portion only of each week, thus following British practice, the Progressive leader, Robert Gardiner, M.P.R., made this comment:

"While we in this corner of the house desire to expedite the special business of this session in so far as the agreements reached at the Imperial Conference are concerned, there is only one matter which seems to me of some importance at the present time, and that is the discussion on the address. Until last session, on motion of the prime minister the debate on the address always took precedence over other business, but last session the English practice was introduced, by which government business was taken at regular intervals after the first day of the debate on the address.

"I am not satisfied in my own mind that I like the method we followed last session, because when the debate on the address is carried on intermittently a great deal of interest is lost. With the economic conditions which exist in this country today I believe that many hon. members will have something to say of importance, and it seems rather unfortunate that interest in the debate should be lost."

Mr. Bennett's practice of pressing business simultaneously with the debate carries the approval of the business community. But for those to whom Parliament is a debating hall the system is not entirely satisfactory.

CANADIAN INVESTORS NOT GREATLY AFFECTED BY RECEIVERSHIP

(Continued from page 1)

bonds of Canadian Property Co., real estate holding company of the defunct Home Bank; The Georgia Ltd. which owns the Devonshire Apartments; the Vancouver Georgia Hotel, both in Vancouver; the St. James Court Apartment in Toronto and Insurance Exchange Corp. which owns the Montreal Insurance Exchange Building in Montreal. In addition the Straus firm sponsored the bonds of the Gurney Foundry Co.

Money Stays in Canada

The St. James Court Apartment issue of $250,000 was sponsored by the Canadian affiliate S. W. Straus & Co. Ltd. which is no longer active and the National Trust Co. is now acting as depositary for the bonds which mature serially up to January 30, 1935. In addition the National Trust Co. is also co-trustee for the issue and receives all moneys paid in for the payment of interest and for the retirement of the bonds. There still remains the major portion of the issue to be retired but the company is stated to be doing fairly well under a good management. In the year ended January 31, 1932, however, it is understood that earnings were not sufficient to cover sinking fund charges on the first mortgage.

Interest payments on the Gurney Foundry Co. 6½ per cent first mortgage serial bonds are now being paid to National Trust Co. and bonds of the company have been retired according to schedule. Since the principal and interest payments on the bonds are payable in New York funds the monthly payments on account would normally be sent to New York but due to high exchange rates prevailing in the past year the company was permitted to make deposits in Canada and the declining rate of exchange on New York funds has aided the company. The next principal repayment is due May 15, 1933, and amounts to $68,500. Monthly deposits against this maturity are understood to be in arrears. Nicholas Roberts, president of S. W. Straus & Co., Inc. is co-trustee with National Trust Co. for the issue.

Insurance Exchange Was First

The Montreal Insurance Exchange Building bond issue was sold in January, 1923, and marked the entry of S. W. Straus & Co. in the Canadian field. Amounting to $2,200,000 with a 6½ per cent coupon rate the issue was to mature serially until January 15, 1938. Early this year bondholders were advised that while earnings from the building were well in excess of interest requirements the annual requirements for reduction of principal had not been earned. Bondholders were asked not to enforce provisions of the mortgage and in return it was provided that net income of the building would be paid to the fiscal agent to meet interest charges and any remaining funds would then be applied to principal repayments.

Similar difficulties arose early this year with the Vancouver Georgia Hotel. This property was financed in 1926 with an issue of $1,350,000 6½ per cent first mortgage bonds maturing serially up to June 1, 1942. The June 1, 1932, serial maturities amounting to $36,000 were not met and S. W. Straus & Co. Inc. proposed a plan whereby bondholders would take new 6 per cent first mortgage bonds maturing June 1, 1947. Under the proposed plan the minimum interest rate would be 4 per cent and 6 per cent would be paid if earned. In any year that interest paid was under 6 per cent the difference would be cumulative for later payment. There is presently some $1,260,000 of the bonds outstanding.

Financed Home Bank

The Devonshire Apartments in Vancouver were financed in 1923 with an issue of $450,000 6½ per cent first mortgage serial bonds maturing annually up to October 1, 1938. No recent information is available on earnings but interest is said to have been earned twice over in 1930. Since interest requirements in that year exceeded $25,000, the sinking fund requirement amounting to $18,000 was well covered.

S. W. Straus & Co. sponsored an issue of $1,300,000 first mortgage bonds of The Canadian Property Co. in 1923. This company was the real estate holding company of the Home Bank and the bonds were secured by property owned by the company and leased to the Home Bank. Subsequent to the Home Bank failure S. W. Straus & Co. met interest payments on the bonds and purchased a number of the properties for the benefit of the bondholders in 1924 and 1925. The bonds were eventually retired.

Each of the Straus bond circulars featured the long record of the firm and until recent years carried the slogan "44 Years Without Loss To Any Investor." A pioneer in the real estate bond field the company enjoyed such remarkable confidence on the part of investors that each new Straus issue was readily oversubscribed. In practically every case an executive of the firm was named as trustee for the bonds offered and in some prospectuses no mention is made of whom the trustee is. Objection to the close relationship existing between the trustee and the issuing house resulted in the change of trustee for Super-Corporations of America Trust shares of the first series a fixed trust sponsored by Straus in 1930.

The chief characteristic of the "Straus Plan" was the monthly amortization of principal and interest payments by the borrower with these monthly payments usually made to S. W. Straus & Co. Inc. which acted as depositary. This plan provided for the prompt application of earnings to retirement of bonded debt, avoided diversion of earnings to other uses and permitted S. W. Straus & Co. to maintain close check on affairs of the borrowing corporation. Many of the companies whose bond financing was handled by Straus have been unable to meet serial maturities in the past two or three years. In such cases reorganizations have been effected.

NOVA SCOTIA POWER HOLDS ITS POSITION

(Continued from page 1)

United States funds on bond interest charges. Last year it cost the company $19,976 to take care of this charge, or equivalent to about 57 cents a share on the outstanding common stock.

Lower Income Possible

It is a bit early to forecast earnings for 1932. From the showing made in the first eight months period, together with the necessity of purchasing American funds, it is possible that net income available for dividends on the capital stock will be slightly under that reported in 1931. Last year net profits totalled $205,296. Preferred dividends totalled $75,000 and common dividends $138,092, which made a small deficit of $7,796. Earnings on the preferred were equivalent to $16.42 a share and on the common $3.77 a share, as against dividend payments of $6 and $4, respectively.

There have been no further official developments in connection with the application made to the Nova Scotia Public Utilities Commission to merge the principal subsidiary companies into Nova Scotia Light and Power. This application was turned down last February.

GAS WELL SCHEDULES REVISED IN ALBERTA

Effective October 1, 1932, revised schedules of gas flow from the Turner Valley wells have been ordered by the Gas Conservation Board.

The figures shown are in thousands of cu. ft. daily which the wells will be allowed to produce.

Alta. Pac. Con. No. 1	188
Alta. Pac. Con. No. 2	372
Brit. Dom. Nos. 2 and 3	2,126
Calmont No. 2	4,019
Calmont No. 4	309
Calmont No. 7	549
Commonwealth No. 1	1,839
Dome No. 2	138
East Crest No. 1	426
East Crest No. 2A	3,327
East Crest No. 3	2,124
Freehold No. 2	1,900
Homestead No. 1	574
Hylo No. 1	3,069
Mercury No. 1	7,682
Mercury No. 2	1,208
Mercury No. 3	1,929
Miracle No. 1	2,413
Miracle No. 3	469
Mill City No. 1	54
Model No. 1	2,500
New McD.S. 2, 3 and 4	1,357
Richfield No. 1	1,302
Spooner No. 4	959
Structure No. 1	1,401
Wellington No. 1	5,987
Widney No. 1	317
Dalhousie No. 1	Frozen
Dalhousie No. 6	23
Dalhousie No. 7	2,152
Foothills No. 1	2,261
Mayland No. 1	2,282
Mayland No. 2	1,669
Mayland No. 3	786
Mayland No. 6	4,922
Royalite No. 6	3,296
Royalite No. 7 & 12	3,527
Royalite No. 9	850
Royalite No. 11, 8 & 18	12,911
Royalite No. 13	102
Royalite No. 20	1,153
Royalite No. 21	808
Royalite No. 23	2,618
Royalite No. 24	1,108
Royalite No. 25	1,021
Southern Lowery No. 1	308
Southern Lowery No. 2	2,693
Southern Lowery No. 3	3,513
S. W. Pete, No. 1	562
Advance No. 5A	1,065
Associated No. 1	1,729
Associated No. 2	1,402
Baltac No. 1	1,108
Hargal No. 1	719
Home No. 1	3,268
Home No. 2	2,218
Home No. 3	5,604
Home No. 4	1,794
Home No. 5	615
Lowery Pete. No. 1	2,409
Merland No. 1	5,752
Sterling Pac. No. 1	296
Sterling Pac. No. 2	3,114

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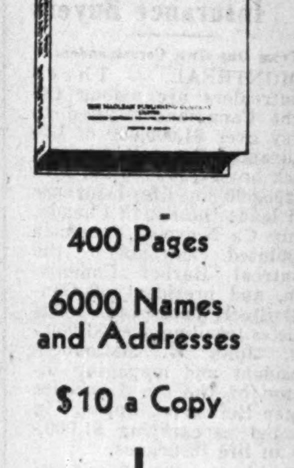

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The Financial Post DIRECTORY of CANADIAN DIRECTORS and Officials

PUBLICITY BRINGS ENORMOUS PROFIT TO COMMUNITIES

Attracting Tourist is Way to Attract Capital and Citizens

By J. GORDON SMITH
Director of Publicity and Information, Province of British Columbia

A country, like an individual, has its own characteristics—its own personality—radiates its own subtle emanations—and visitors to British Columbia, without being able definitely to assign its charm to any particular feature, become aware at once of its strong appeal—of an elusive quality that makes it different.

I doubt if any country is better equipped to attract visitors than British Columbia. So infinite is the variety of attraction that whatever may be the individual desire of the visitor, British Columbia can satisfy it.

Is Important Industry

Are we cashing in on these resources? The average man does not appreciate the great importance of the tourist industry—it is an industry. It may not be as tangible an industry as lumbering, mining, agriculture, or fishing, but its returns are comparable in importance. Apart from additional benefits of the tourist trade visitors expend over 30 million dollars a year—new money brought in and so widely distributed that practically everyone benefits — a tourist expenditure equivalent to over $40 per head of population, man, woman and child. The tourist industry furnishes employment to many—to some thousands of our people. It results in building up our economic wealth—in adding desirable elements to our population, and addition to our capital available for development due to investment made by visitors.

Thanks to the excellent work of the Vancouver and Victoria Publicity Bureaus which co-operate with Puget Sound cities in an advertising campaign in California and Oregon, and assisted to some extent by the efforts of the Provincial Bureau of publicity and Information, and various local boards of trade, transportation and other interests, the U. S. motor tourist travel to British Columbia has steadily increased during the past ten years and now represents an important business.

Must Prove Success

In times like these when money is urgently demanded for many causes and there is natural tendency to scrutinize all expenditures and search for possible economies, people naturally seek definite knowledge of results achieved in return for any expenditure made. The continuance of any community advertising campaign depends upon the continued support of a majority of the citizens of the community, most of whom are not advertising-minded, nor able to judge the effectiveness of advertising. The necessity of being able to prove success by definite measurable results therefore enters into any publicity work dependent upon public support.

Publicity is one of the main factors in building up this valuable industry which could be made much more lucrative. The nomadic fluidity of the American people is well known. The annual vacation is a feature of American life. Whether in good or bad times they travel. Consequently there are millions on our threshold eager and willing to pay attention to a message telling them of an alluring place to visit—but the message must go out and be broadcast by publicity.

Advertising and publicity work with less tangibility than a direct business transaction—but the results are as beneficial. You cannot see the air. It is intangible, but vital. Publicity is also intangible in its working, but vital to business development.

Vital to Community

Publicity is a vital necessity to a business or to a community. There is no other way to build up a community than by increasing the desirable elements of population and utilizing the available resources. Unexploited resources, undeveloped industries, unmarketed products or unused lands will not create wealth or enable development. Only by effective publicity to inform potential residents, investors, industrialists, or to bring visitors can a community be built up. If the manufacturer finds it good business to tax his product for advertising—for instance, if a gum manufacturing business finds it good business to spend five million dollars a year in advertising or a motor corporation spend fifteen millions a year to sell motor cars—is it not good business for the citizen of any community to provide a modest amount to any fund required to advertise his community along important lines.

Great Returns Seen

The experience of many community advertisers indicates the great returns which properly directed publicity brings. It is doubtful if any advertising will yield greater returns for the expenditure made; and the results are in ratio to the extent of the advertising and publicity effort. The majority of community advertisers now concentrate on tourist attraction, or make this the most important phase of their work, on the assumption that business and other development will naturally follow.

Those unfamiliar with the tourist trade are prone to consider that it benefits only a favored few. As a matter of fact tourist expenditures are so widely distributed and wherever they go in the first instance they pass in turn through so many hands that the whole community benefits. It passes on from the initial recipient for wages, supplies, rent, taxes, etc., and continues to circulate through one channel after another. Apart from the direct benefit of tourists expenditures tourist travel has many important, if less obvious results. Demand for local products is stimulated even after the visitor returns home; and wider knowledge of our great and varied resources, industries and products, inevitably results in greater flow of capital for their development.

The importance of the tourist trade is by no means limited to expenditures for ordinary living and incidental expenses. The contribution to retail trade is important, and could be made more important.

Tourists often become investors. The Los Angeles Chamber of Commerce estimates that at least a hundred million dollars a year is invested by visitors in Southern California. Visitors are attracted by industrial, real estate, security and other opportunities with the result that considerable addition is made to the volume of capital available for development. Also many become residents.

Central Bank Control Achieved Three Ways

Answer to Query as to How a Central Bank Works, Discloses Difficulties in Canadian Field

By A. F. W. PLUMPTRE
Lecturer in Money, Credit and Prices, University of Toronto

How does a central bank work? What powers are usually put at its disposal? Under what conditions are these powers effective? Such are questions which naturally arise in a discussion of the advantages or disadvantages of founding a Canadian central bank.

There are three means of control which most central banks are able to use more or less effectively. There is the discount rate which, drastically raised, may be the only means of checking credit expansion in boom times. There is the policy of direct credit creation or cancellation by purchase or sales of securities in the open market. This may be a more effective means of expanding credit during a slump than the mere reduction of interest rates in the hope that borrowers will be forthcoming. Lastly there is what, in England, is politely termed "moral suasion" but in the United States is bluntly known as "propaganda."

Propaganda as Persuasion

Propaganda is the easiest to use. But it loses its effect if it is used too frequently: and has practically no effect if it is used in order to persuade people not to do what appears to be in their own interest. Thus the "warnings" issued by the Federal Reserve Board in 1929 to the stock market had comparatvely little effect.

The persuasive powers of the Bank of England are greater than those of the Federal Reserve Board. Among other reasons, this is partly because of the age of the Bank of England and partly because of the comparatively small number of banks with which is has to deal.

Indeed the "Old Lady of Threadneedle Street" is far too respectable to be ignored. You may call her old-fashioned, or biassed, or ultra-conservative, or even impotent, but you will not be disrespectful—not if you have seen her messengers striding about the City of London in their pink coats and red waistcoats, not if you have asked your way from the crimson-gowned porter, not if you have had tea at four o'clock sharp in one of her inner sanctums, not if you have seen all the women clerks and stenographers leaving the building shortly afterwards so that the men might finish the day's work in peace.

The Bank of England commands respect. It never publishes its policy; and thus the policy cannot be criticized except when its results come to light, by which time criticism is ineffective. But unofficially the appropriate people become aware that "the bank" favors this or is opposed to that; and the necessary action is taken. Its power and prestige come from its record of public service and financial wisdom at least since 1844 when it was reorganized. It was originally founded in 1694, according to a wag, "to keep the public debt in." Its directorate interlocks with many of the leading houses in the London money market. But strangely enough, custom at present dictates that the great joint stock banks—Barclay's, Lloyds, the Midland, etc.—which have their branches all through the country, shall have no representation on the court of the bank.

Would Co-operate With Banks

If there were to be a newly founded Canadian central bank, there would probably be close co-operation between it and the well established chartered banks to which it would be supposed to give a lead. But, at any rate at first, the tail would probably wag the dog. This might disappoint those who hope that the tail would immediately act in a radically different manner if only a body and head were added.

In order to make its policy effective a central bank is usually given some control over the volume of money and credit in existence. This volume can be directly affected by so-called "open market" purchases and sales of securities by the bank. This process works as follows: The bank buys securities by simply issuing new notes, or, more usually, by making a new entry in its books crediting the sellers of the securities with "deposits." These notes or deposits are then transferred by the sellers to their own accounts in the commercial banks: and the commercial banks then have increased cash or increased reserve deposits at the central bank. It is then profitable for the commercial banks to make new loans to their customers on the basis of these increased reserves. Thus the bank credit of the country is expanded upon the initiative of the central bank. Conversely, sales of securities by the central bank will tend to contract credit.

The securities used in these "open market operations" are usually early maturing government securities, treasury bills and sometimes commercial bills of exchange. The comparatively small supply of such securities in Canada would restrict the use of this means of control by a Canadian central bank.

Reserves Versus Credit

Further, in order that such control might be effective it would be desirable for the chartered banks to keep a more or less fixed relationship between their reserves in the central bank and the credit which they extended to the public. The chartered banks might otherwise flout the policies of the central bank: for instance by allowing their reserves to pile up unused when the central bank was creating such reserves by means of security purchases in an attempt to expand credit in Canada. Thus the degree to which open market operations are effective depends in large measure upon how far the commercial banks feel willing and able to co-operate.

There are also other limitations to a central bank's power to create or restrict credit by this means. Its sales of securities are, of course, limited by the portfolio of securities which it has built up in the past. The Federal Reserve Board was confronted by this obstacle among others during its efforts to restrict credit in 1929.

Credit expansion may be limited directly by legislation requiring a minimum gold reserve to be kept against deposits in the central bank. It may be limited indirectly by similar requirements of gold reserves against note issues: because the more deposits which a central bank creates, the more notes are likely to be withdrawn into circulation.

Need of International Action

Lastly, the amount of gold which a country on the gold standard can retain is affected, not only by its own credit policy and the other local factors which affect its balance of international payments causing gold to move in or out but also by the credit policies and economic conditions of other countries on the same standard. For this reason the English "Macmillan Report," together with countless other authorities, stressed the need for international monetary action. The report of the Monetary Committee of the Imperial Conference also stated that it was making no definite recommendations because international action on the part of the forthcoming World Economic Conference would be more effective. Thus when Canada is on the gold standard, and to a lesser extent when she is off it, the volume of credit cannot be considered to be independent of the volume of credit elsewhere, particularly in the United States with which country Canadian international trade and finance is particularly bound up.

Open market dealings, which we have so far discussed, is a means, however limited, by which a central bank puts its policies into operation actively and upon its own initiative. The effectiveness of its other chief weapon, the discount rate, depends largely upon the initiative of others.

Use of Discount Rate

The "discount rate" is the rate of interest which the central bank will charge its clients for a certain type of loan, i.e., for discounting for them high grade commercial bills of exchange. The central bank may also make other kinds of loans at other rates, but these rates will usually be adjusted when the discount rate is changed. The twelve Federal Reserve Banks of the United States between them quote 48 rates: but these are all likely to be adjusted more or less quickly when the most important rate, the rediscount rate of the Federal Reserve Bank of New York, is changed.

There seems to be a growing feeling among those who operate, or study the operation of, central banks that the clients of these banks which are usually the commercial banks, should borrow only in case of emergency. It is felt that the commercial banks should not borrow, by discounting or otherwise from the central bank, thereby causing the central bank to increase the basis of credit, merely in order that they may support the increase which they have made in their loans to their customers. When this practice appeared to be growing up in the United States it was frowned upon at least in those quarters which favored more complete central control. In England it is, for technical reasons, unlikely to become prevalent.

Effective With Money Market

In spite of the fact that it is usually intended to apply directly only to a comparatively small volume of central bank loans, the discount rate set by the central bank is supposed to affect the interest rates upon all short term loans and discounts in the country. Where there is a money market—that is to say a specialized competitive market in short term loans — the central bank can increase the effectiveness of its discount rate policy by open market purchases or sales. These operations, by changing the volume of credit available in the market, naturally affect the price of credit, i.e., the rate of interest.

Because short term loans, and bills of exchange which represent such loans, move very freely between financial centres the relative level of rates as between these centres is highly important. A raised rate in one centre causes, except in times of panic, increased lending to that centre and decreased borrowing from it. If the country is on a gold standard, gold tends to be imported: if not, the exchange rates move favorably.

Thus, where there is a money market, the discount rate may be a most effective weapon both in molding the internal level of interest rates of a country and also in changing thereby the condition of the country's international balance of payments. But in a country such as Canada where there is no money market, a central bank discount rate would be ineffectual, unless the commercial banks were willing or compelled to move their rates in harmony. And the commercial banks would not be likely to follow this policy voluntarily, at any rate in the near future, ~~for~~ it is their traditional policy to keep their rates upon loans and deposits as steady as possible.

From what has preceded we may conclude that the control even of short-term interest rates by central banks is far from complete, especially in countries such as Canada where conditions have not favored the growth of a money market and where a tradition of stable interest rates has grown up.

Editor's Note.—This is the second article in a series. "Does Canada Need a Central Bank-" Subsequent articles by Mr. Plumptre will follow in succeeding weeks.

FLOUR EXPORTS DROP ONCE MORE AFTER JUNE GAIN

No Definite Improvement Indicated in Shipments Yet

From Our Own Correspondent

MONTREAL.—Exports of Canadian flour in July showed a moderate recession compared with the same month a year ago. Exports totalled 446,379 barrels against 466,967 barrels in July, 1931. In June there had been a momentary improvement but this was not maintained.

Production during July was at 41 per cent of capacity, a drop from 47 per cent in July last year. Total output was 1,201,965 barrels which contrasted with 1,319,008 barrels in July last year.

Cumulative Figures Down

In the first seven months of the year exports amounted to 2,838,592 barrels of flour. This compared with 3,132,225 barrels in the same period of last year, the decline indicating the difficulties faced by the Canadian miller in the export market. Competition is still keen and vagaries of exchange make for additional troubles in shipping for export.

Grinding of corn flour and meal was the only division of milling to show an improvement in July. This section has shown consistent gains during the year; oatmeal and rolled oats output has tended to fall off.

Production of corn flour and meal totalled 2,628,909 barrels in July compared with 2,612,240 in the corresponding period of 1931. Oatmeal grindings were 402,937 barrels, a drop of 288,000 barrels, and rolled oats output showed a decline of 3,300,000 barrels at 8,940,843 barrels compared with July last year.

CARE IS NECESSARY TO PROTECT RADIO FROM FIRE HAZARD

Proper Installation Will Prevent Danger of Electrical Hazards

In radio installations having antennae outside the building, the principal dangers are from lightning or from possible contact of the antennae, or of lead-in wires, with electric light, power, railway or communication wires, or with lightning conductors, according to a special report on "Safeguarding the Radio" prepared by a joint committee of Fire Prevention executives recently.

Persons erecting poles, structures, or wires for radio work should be very careful, particularly when working on a roof or in other like situations, that they do not come in contact either through any part of their own bodies or through any equipment, tools or wires which they may be handling, with overhead wires.

Almost any overhead wire may be carrying a voltage sufficiently high to give a shock which, even if not in itself dangerous, may cause the person affected to lose his balance and fall. Several fatal accidents have been caused in this way. The work should be done by experienced electricians.

Grounding Important

The proper grounding of the system is of paramount importance, the reason being that good grounding greatly reduces the hazard from lightning and from overhead electric lines.

The installation of radio masts and antennae on the roof of a rodded building is likely to nullify the protection provided by a lightning rod system, especially if the aerial is higher than the air terminal points of the lightning conductors, and consequently should not be so installed.

It is a bad practice to run the aerial from a garage or other outbuildings to the dwelling, without ample insulating from attachments, and it is equally hazardous to run the antennae from a tree to the dwelling, unless a direct ground is provided by means of a double throw single-pole knife switch of ample capacity—say a break distance of not less than four inches and a blade not less than one-eighth inch by half-inch in cross-section, on the lead-in wire, which will form a shunt around the receiving set when the set is not in use. A tag should be attached to the double throw switch notifying persons not to use the receiving set during an electric storm, and to throw the switch into direct grounding contact when the set is not in operation.

The safest plan to pursue in the country is to erect the aerial on two masts away from the building, and ground the antennae as herein suggested.

Use of Lightning Arresters

No radio set should be installed without an approved lightning arrester, and yet, among the uninitiated there appears to be a wrong impression as to the function of a lightning arrester, and a false sense of security as to its protective power. A lightning arrester does not, and is not, supposed to protect a building from lightning. The lightning arrester is simply a device for protecting the receiving set from lightning by deflecting the charge to earth, by means of a proper ground. Metal masts, towers or other structures used as antennae supports, if on a building, should be grounded with standard lightning conductor.

If the mast be mounted on a steel frame structure and be electrically connected to the steel framing, no such conductor is needed.

Non-metallic antennae supports on a building, which project above the highest part of the building, should be protected with a standard lightning conductor run along the entire length of the support and carried down to "ground."

The antennae support ground conductor should be carried down the outer wall of the building and buried vertically in permanently moist earth or bonded to a water pipe or other approved "ground." The conductor should be securely fastened to the building with metal straps held in place in an approved manner.

The antennae wires should be of metal which is not subject to corrosion.

Movie Industry in Canada On Better Basis Than U. S.

Absence of Production Problems is Strengthening Factor — Chief Difficulty is to Stem Declines in Patronage and Box-Office

From Our Own Correspondent

MONTREAL. — Suspension of dividend payments on the common shares of Famous Players Canadian Corp. has focussed attention on the situation surrounding the theatre industry in Canada. Close observers were not surprised at the decision of directors to defer dividend action; rather, they express satisfaction that the 208-unit chain has been able to hold its earnings at levels sufficient to cover bond interest.

The motion picture industry in Canada is confined to the exhibition of films and it is this factor that has given it an advantage over some of the large United States organizations which combined film production with chains of exhibiting houses. The Canadian industry has not had to face the difficulties attendant on production of pictures; its great problem has been to keep attendance at levels sufficient to enable individual houses to operate at a profit.

Costs Are Substantial

But exhibitors have had their troubles even though they have not had to battle with the problems of production. "The public does not realize," said the manager of one large house, "the extent of expenses incurred in the operation of a high class theatre. Film rentals, maintenance, operating costs and promotional expenses all make large holes in total revenue and the latter item has tended to decline steadily in the past two years. Above all things a large down-town house has to keep up appearances with correlated expenses; otherwise an already reluctant public will pass by the box-office."

In other words the show must go on despite hard times and declining patronage if a theatre is to keep its head above water. But large houses in which there is a capital investment of substantial size, unfortunately are faced with greater problems than their smaller confreres. The public, economy-minded for the past three years, are willing to forego the glamor of a first showing down-town if later they can see the same picture at lower prices in a smaller theatre.

Cut Admission Prices

Accordingly the big houses have been forced to make successive concessions to secure additional patronage. Some have cut their admission prices three times. Bargain matinees, thrift shows, double bills, and similar attractions have tended to stimulate patronage but at the expenses of gross receipts.

In all large theatres maintenance, depreciation and operating costs, together with fixed charges on the capital investment, only vary to a small degree. Working costs can be reduced, but only slightly; film rentals have been lowered to some extent but many are shown on a percentage profit basis.

Consequently patronage is of prime importance. Expenses can only be cut to a limited degree; every effort must be made to secure additional admission, for this constitutes the sole form of revenue apart from store rentals in some properties.

Small Houses More Fortunate

The smaller houses, it is admitted, have been cutting into the business of their larger brethren. Though they have been faced with a situation which is similar fundamentally, the smaller house has certain advantages which have worked in its favor. With spending power sharply curtailed, theatre goers tend to patronize the cheaper priced theatre if they patronize any at all. Carfare down-town may be a factor to be considered; while nearly all suburban or neighborhood houses now show double bills.

These units also derive their patronage from more stable sources. They are not dependent on the transient down-town business; many of their patrons are regular customers who provide a steady backlog through good times and bad. A small chain in Montreal has been doing record business this year; another larger organization confining its activities to the suburbs still manages to pay a dividend on its common stock, though the distribution has been reduced substantially.

Industry Maintains Position

A feature of the industry as a whole, however, has been its ability to do as well as it has in face of the problems involved. One factor which has aided motion picture exhibitors is that film entertainment has become an accepted charge on the family budget. There is virtually no competitor to moving pictures in the entertainment field; they remain practically the sole form of theatrical entertainment for the community, and a desire for drama is as old as civilization.

Advent of the winter season with its seasonal surge in box-office receipts is at hand. Leading producers claim that better pictures are being made and marketed; perhaps this winter will prove a more profitable one for exhibitors than last.

Canadian Industries Alters Dividend Paying Method

From Our Own Correspondent

MONTREAL.—A change in the manner of declaring common dividends has been effected by directors of Canadian Industries with announcement of the payment due October 31. The sum declared is 87½ cents a share; previous declarations have segregated the sum into a regular dividend of 62½ cents and an extra dividend of 25 cents.

It is understood that the present procedure will be adopted from now on and in the future there will be no segregation of regular and extra payments. Since extra dividends have tended to fluctuate from time to time it may be expected that the total disbursements on the common shares will henceforth tend to vary.

Rock Island Drill Plant Benefits from Ottawa Meet

A definite benefit from the Imperial Conference is noted from Rock Island, Que., where Butterfield & Co. have received an order for 48,000 drills in place of the parent United States concern which formerly received the orders from the same source.

This order will enable the company to operate this plant at reasonable capacity for a period of three months and a number of their former employees who have been out of work for some time are being taken back.

Mackerel Run in Maritimes

The first run of mackerel in southern New Brunswick waters for more than a quarter of a century was witnessed in Saint John recently. The run was classed as phenomenal, one weir alone yielding 25 hogsheads.

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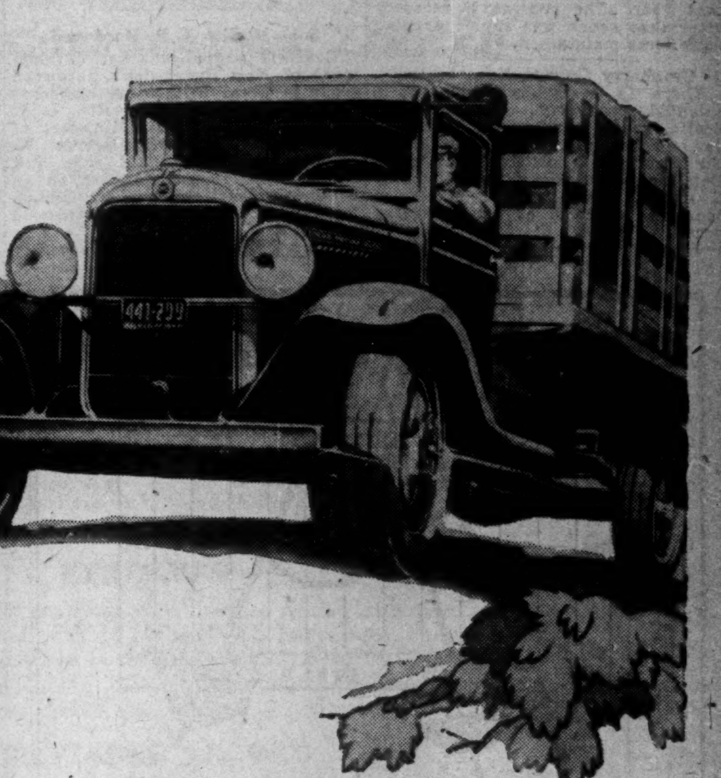

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Utilities and Transportation

MONTREAL TRAM REVENUES DOWN TO END OF AUGUST

Expect Decline of $1,200,000 for 1932 When Returns Are Completed

From Our Own Correspondent

MONTREAL.—Preliminary returns show a drop of approximately $1,200,000 in Montreal Tramway Co.'s revenue for the current year in comparison to that reported for 1931.

During the first eight months of this year gross income fell off 8.24 per cent. In the first quarter of the year the drop in gross totalled 6.58 per cent, so that operations in the intervening months have not been up to the standard set in the initial three months.

Up to the end of August, Montreal Tramways carried 190,544,989 revenue and transfer passengers. This compares with 211,089,688 passengers for the corresponding months of 1931 a decrease of 20,544,699 or 9.73 per cent.

Gross Down 8.24 Per Cent

During the January-August period of 1932 gross revenues totalled $8,919,514, as against $9,720,200 in the first eight months of last year, a reduction of $800,686 or 8.24 per cent.

Based on the returns to date, the company estimates that gross income for the full year will amount to $13,370,000. This is about $1,200,000 less than that reported for 1931.

Public relations of Montreal Tramways have been the subject of an attack over the past several months by one of the Montreal dailies. Excessive fares, limited service and inadequate rolling stock are a few of the charges made against the company.

Manitoba Power Records Advance in Earnings

From Our Own Correspondent

MONTREAL.—Manitoba Power Co., subsidiary of Winnipeg Electric, reports an increase of $27,028 in gross operating income during August last as compared with the same month a year ago. Operating income totalled $122,193, up from $95,165. At the same time operating expenses were reduced, with the result that net earnings for August this year amounted to $100,081, compared with $71,006 for the same month a year ago.

During the eight months of the current year ended August 31, gross operating income of Manitoba Power totalled $991,035, a gain of $184,620 over the past year. Operating expenses were slightly lower at $195,945, leaving net earnings at $795,090. This compares with $609,289 for the first eight months of 1931.

Porto Rico Power Plants Withstand Storm Effects

From Our Own Correspondent

MONTREAL.—Damage caused by the recent hurricane to the power plants of Porto Rico Power Co. was negligible. Transmission and distribution systems suffered fairly heavily but the company is now busy effecting repairs to lines. In the 1928 storm considerable damage was sustained in one of the hydro plants.

It is stated that though losses have not yet been fully estimated reserves have been built up by the company to take care of the present eventuality. At the end of 1931 depreciation reserve totalled $2,530,779 and contingency and miscellaneous reserves amounted to $263,753.

In 1928 the sum of $375,000 was deducted from surplus to take care of loss sustained in the hurricane of that year. The company's recovery after that shock was rapid; earning power was maintained.

Cranberry Crop in Nova Scotia

There is every indication of a splendid cranberry crop in Nova Scotia, and also prospects of a good demand for the product according to the report of W. B. Davis, Assistant Dominion Horticulturist, who visited Kentville, recently, after making a tour of inspection of the cranberry area.

Less Sunshine Benefits Central Electric Stations

Many Small Factors Contribute to Increased Power Output in August Even Though Industrial Activity Declines

From Our Own Correspondent

MONTREAL.—Despite a decline in the physical volume of industrial production, output of central electric stations in Canada was on a higher basis in August last than for the same month a year ago.

There is usually relatively little seasonal change in production between July and August, and the increase this year, despite the decline in industrial activity, is attributed to the increasing use of radios, shorter days and fewer hours of sunshine, the Imperial Conference at Ottawa, evening sporting events, and other factors of a similar character which have been instrumental in increasing the use of electrical energy.

Increased Output General

Returns indicate that the increased output for August was general in all five economic areas. For Canada as a whole, production in August totalled 1,231,013,000 kilowatt hours. This compares with 1,156,439,000 kilowatt hours in the preceding month and with 1,236,149,000 kilowatt hours in August, 1931.

The better than seasonal gain in August brought the central electric output for the current year to date up to 10,336,457,000 kilowatt hours, as against 10,819,441,000 kilowatt hours for the first eight months of 1931.

Paper Helps Maritimes

In the returns by economic areas, the Maritime provinces are shown to have had an output in August of 44,786,000 kilowatt hours, compared to 38,582,000 kilowatt hours in the previous month and 44,924,000 kilowatt hours for August last year. The increase is mainly attributed to a larger output of paper in New Brunswick and Nova Scotia.

Quebec stations had an output in August of 663,871,000 kilowatt hours, up from 606,872,000 kilowatt hours in July and comparing with 644,446,000 kilowatt hours in August last year. One of the principal reasons for the increase in output in this province is the growing use of electric steam boilers. For some time past Shawinigan Water and Power Co. has been actively engaged in exploiting the use of this type of boiler, with the result that a number of the pulp and paper companies have installed this equipment.

Ontario Reverses Trend

After several months of declining production, the Ontario stations reported an increase in output during August. Production amounted to 326,025,000 kilowatt hours, as against 317,815,000 kilowatt hours in the previous month and 352,877,000 kilowatt hours for August, 1931.

Both the Prairie Provinces and British Columbia reported slight increases in output during August, but are still appreciably under the figures recorded last year.

Fuel Power Gains

The foregoing figures on central station output by economic areas refer to electric energy generated by waterpower. There is also small production generated by fuel. In this category the Prairie Provinces reported an output in August of 13,509,000 kilowatt hours, up from 11,986,000 kilowatt hours in the previous month and from 12,905,000 kilowatt hours for August last year. Other provinces reported an output of 10,858,000 kilowatt hours, a slight decline from July, but an increase compared with August of last year.

August exports of electrical energy were the highest for any month this year to date, amounting to 69,192,000 kilowatt hours. This compares with 99,780,000 kilowatt hours for the same month last year.

Details of Returns

Following are the cumulative production figures for the first eight months of 1932 with comparative figures for the corresponding period of 1931:

Generated by Water Power
(Thousand Kw.h.)

	1932	1931
Maritimes	376,885	368,727
Quebec	5,384,815	5,429,205
Ontario	2,808,049	3,255,027
Prairies	798,888	792,686
B. C.	757,111	782,581

Generated by Fuel
(Thousand Kw.h.)

	1932	1931
Prairies	116,114	114,959
Other	95,094	79,217

Exports
(Thousand Kw.h.)

	1932	1931
To United States ...	468,837	903,812

C. P. R. Traffic Receipts Show First Monthly Gain

From Our Own Correspondent

MONTREAL.—Traffic receipts of the Canadian Pacific Railway in September showed the first comparative monthly increase, with one exception, in the past three years. Since the beginning of 1930 each monthly comparison has shown a drop in gross when compared with the same period in the previous; December 1930 was the only exception when receipts showed a gain of 5 per cent.

Reflecting the sharp upswing in grain movement, traffic receipts of the C. P. R. totalled $13,343,000 in September compared with $12,486,000 in September 1931, an increase of $857,000. In August gross had totalled $10,166,229, a decrease of 12 per cent from the same month in the previous year.

Though the gain is encouraging it is interesting to note that September figures were far below figures for that month in previous years. In 1928 gross for September was $21,371,000; in 1929, $19,551,000 and in 1930, $19,192,326.

Seek Market N. B. Hardwood

Concrete suggestions for development of New Brunswick's hardwood trade in Great Britain are embodied in a report presented to Hon. L. P. D. Tilley, provincial Minister of Lands and Mines, by George W. Bartlett, of Fredericton, N.B. Mr. Bartlett has recently carried on an extensive investigation of the British market for certain hardwood interests.

BRUNSWICK POWER REPORTS SURPLUS FIRST FIVE MONTHS

Operating Income Only $164 Greater Than Expenses During Period

From Our Own Correspondent

MONTREAL.—Interim statement on finances and operating income for the five months ended May 31, 1932, indicate that New Brunswick Power Co. held its own during the period.

For the five month period gross earnings totalled $345,889. Operating expenses amounted to $258,317 and interest charges $87,409, leaving a net profit of $164. No dividends were paid and the balance was carried forward to the previous profit and loss surplus, which now totals $241,284. Comparative figures are not available, but the full statement for 1931 shows a surplus after all senior charges, but before dividend of $6,623.

Position Much The Same

The balance sheet shows relatively little change at the end of May last. Working capital has undergone a minor improvement, standing at $284,511 on May 31. On December 31, 1931, there was a surplus of current assets over current liabilities totalling $281,858.

Small additions have been made to property account, while the funded debt has been cut from $1,762,000 to $1,758,000. Demand notes totalling $1,761,749 at the end of 1931 remain unchanged.

New England Power Reports Output Gains

From Our Own Correspondent

MONTREAL.—New England Power Association, a division of International Hydro Electric System, reports that the upward trend of electric power production in its area, first noted several weeks ago, is continuing in early October. In the week ended October 1, the Association's total primary power production, which includes only electric energy produced for sale under contract or to commercial and industrial consumers, was 33,972,000 kw.h., an increase of 1.9 per cent over the corresponding week of 1931.

Primary power production of New England Power Association for September was 146,627,000 kw. or 99.6 per cent of the figure for September last year. This is the most satisfactory showing since February, when production was 103.7 per cent of that of February, 1931.

Apples Ripen in Northern Area

Standard apples have been ripened this year at the Dominion Experimental Farm at Beaverlodge, Alberta, which is 428 miles north of the international boundary. In the past crab apples and small seedlings have been grown still further north.

Public Utility Earnings

Winnipeg Electric

August	1932	1931
Gross	$ 401,968	$ 438,966
Oper. expenses	310,080	326,859
Net earnings	$ 91,888	$ 112,107
8 mos. end. Aug. 31—		
Gross	$3,721,079	$3,849,834
Oper. expenses	2,617,773	2,710,893
Net earnings	$1,103,306	$1,138,941

Manitoba Power

August	1932	1931
Gross.	$ 122,193	$ 95,165
Oper. expenses	22,112	24,159
Net earnings	$ 100,081	$ 71,006
8 mos. end. Aug. 31—		
Gross earnings	$ 991,035	$ 806,415
Oper. expenses	195,945	197,126
Net earnings	$ 795,090	$ 609,289

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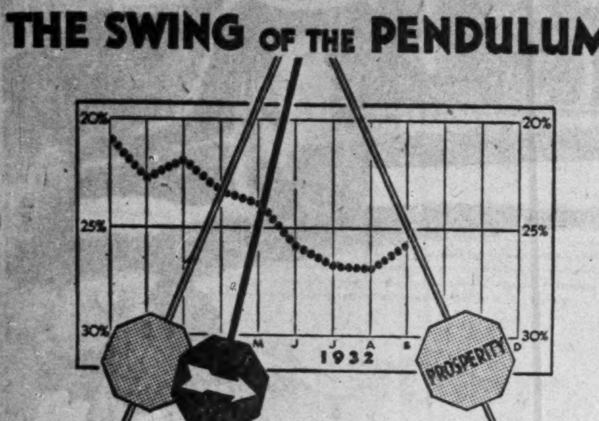

Business Index Moves Upward

A weighted index of Canadian business conditions records an increase in activities for last month. Electric energy production was an important factor in this upturn.

Believing that power will be one of the first industries to benefit from improvement in basic industrial activity, we recommend for investment the following Public Utility Bonds:

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Seeds of Depression Sown In Long 1900-1929 Inflation

Bank Bulletin Debunks Idea That Rising Prices Are Good for Us — They Merely Pile Up Debts Which Can Never be Paid

The world is not suffering from a shortage of money but rather from an over-dose of money and credit, it is argued in the current monthly bulletin of the National City Bank of New York. This banking bulletin attempts to debunk the prevalent notion that the great fall in prices has been due to the shortage of gold. Rather it is due to the fact that gold production has increased; that withdrawal of gold coin from general use as a circulating medium has released large amounts of gold for use as reserves for paper money; that the use of cheques and similar devices has also increased the amount of money in the world. With the volume of money and credit increasing more rapidly than production prices rose rapidly from 1894 to 1929. The world is paying the price of the long inflation of 1900-1929.

Started Long Ago

It is generally recognized now that inflation did not begin with the war, but that the period 1900-1914 was one of continuing inflation, although the increasing volume of credit was amply supported by increasing reserves of gold. The term "inflation" properly applies not only to a state of money, credit and prices arising from excessive issues of paper money, but arising from any increase in the supply of money and bank credit which outruns the physical increase in the volume of production and trade, thus forcing a rise of prices.

Between 1900 and 1929 the volume of production and trade, measured by statistics of money values, was growing very rapidly, mainly because prices were rising, which is only another way of saying that money was losing in purchasing power. The demand for money and credit was being required to handle the same physical volume of trade, and with rising prices more people were wanting to borrow for the purpose of buying something that they thought would go higher. The prosperity illusion was complete.

The average rise of commodity prices from 1899 to 1913 was approximately 33 per cent. If human labor be accepted as the ultimate standard of value, and if prices were adjusted to correspond to the amount of labor embodied in products, the natural trend of prices would be downward, because improvements in industry are constantly reducing the labor content of production. When this natural trend is reversed, and the average price level rises, it is clear proof that the standard of value is depreciating. A person who loaned a sum of money in 1899, which was repaid in 1913, received back the same sum, but its purchasing power was 25 per cent less than when he loaned it. This was the reverse of the recent trend.

No Increment of Real Wealth

Rising prices are always welcomed as signifying good times, and this view is justified when they represent a recovery from a state of abnormal depression, but there is no increment of real wealth from a mere rise of prices. In the case of land, no increase of productivity results from it, and although a farm may sell for more money than the owner paid for it, all money values are relative and if the general level of prices has risen, the farm is convertible into no more of other wealth than before the rise occurred. Nothing has changed but the measuring stick, and the situation is full of illusions.

The extreme prices for farms in the middle West never were justified by the annual returns, and were harmful in several ways. They stimulated an expansion of farm acreage over lands of uncertain productivity, which proved to be unprofitable and injurious to agriculture. The greatest harm, however, was done by the increase in the volume of farm indebtedness.

A rising trend of prices long continued invariably has very undesirable consequences. The most serious of these is the increase of indebtedness. A standing inducement is held out to everybody to go into debt as deeply as possible, spreading his own capital thinly over all the property he may be able to bargain for on the basis of future payments. The fame of money-making as thus practised has been found to be a most enticing one.

So long as the rising price movement continues the player wins, and the policy supports the upward movement; moreover, the longer the rise continues, the more confidence is displayed and the narrower the margins become. Also, the buyer reckons his wealth as steadily increasing, thinks he is rich, and loosens up in his expenditures accordingly. This for a time seems to be good for business, but when the whole community is involved it is living on unrealized expectations. The luxury industries and services expand, the body of unproductive investments grows, fixed charges of every kind, public and private, increase, and the situation becomes inherently weaker.

Binder Insupportable

Always, after such a situation has collapsed, there are people who contend that the "prosperity" might have continued without end if only more money and credit had been provided, but the whole situation is based upon the illusion of inflated prices. The real wealth of the world grows only by the increase of values based upon utility, and these are not increasing to correspond with the increase of debt and expenditures. Indebtedness becomes the senior partner in business, taking an increasing share of the earnings, and interest charges, waste and extravagance eventually become insupportable.

War Inflation

Upon the pre-war situation as developed by the 1900-1913 inflation, was imposed the war and post-war structure of inflation. Bank deposits increased. This inflation of purchasing power subject to check affected not only property valuations, but the entire structure of prices, including the rates of personal compensation. Of course, wages and salaries had to rise to enable the recipients to even maintain the former standard of living. The costs of government rose, not only because wages and salaries were higher and public indebtedness had increased enormously, but because the mania for larger expenditures raged there as elsewhere. The cost of living, of course, tended to rise with the wages and prices which compose it, but modified by the influence of improvements in production, the one constant factor which amid all the illusions has been producing real economic gains.

Other Influences for Inflation

To the influence of gold inflation in the increase of indebtedness was added the influences of war and paper money inflation abroad. Rising prices aroused the speculative impulse everywhere, started the farm and boom in the middle West, the Florida boom, the real estate boom in cities and suburbs, and, finally, all sections of the population being inoculated with the virus, the stock market boom gave the finishing performance. The period 1900-1929 shows that rapidly increasing supplies of money and rising prices invariably induce debt-making on a great scale. It is an illuminating truth that people go into debt in booming times, and liquidate indebtedness, in fear and under pressure, in bad times. They make the conditions themselves by mass movements first in one direction, then in the other.

Utility of Credit

The indebtedness of the world has become enormous and undoubtedly presents one of the chief problems of the time, although it is important that no hasty conclusions be drawn about it. In the main the debts are the result of war and monetary inflation, together with the illusions and over-confidence inspired by inflation. What may be said on the side of abundant supplies of money and credit and the rising prices which result from them?

It is argued that rising prices stimulate production and enterprise, increase the demand for labor, lighten the burden of debt and create general prosperity. There is truth in these claims, but there is more to the account. The record of the period 1900-1913 shows that the rising prices of that time were accompanied by great irregularity in business conditions, also that labor experienced constant difficulty in getting wages increased fast enough to cover the rising costs of living, and that because it seemed to be easy to pay debts in a depreciating currency, few people cared to pay or reduce debts, and the aggregate amount of indebtedness increased rapidly. The logical conclusion seems to be that an artificial stimulus persistently continued does not produce beneficial effects. Industry and trade do not need an artificial stimulus. The ever-growing wants of the people afford all of the stimulus they require, and they are best served by stable conditions. Price changes, up or down, are a disturbing influence.

Unhealthy Stimulus

While it is true that rising prices and an ample basis for credit give a stimulus to enterprise, it may be an unneeded and unhealthful stimulus. The business world cannot produce wealth any faster than when its productive capacities are fully employed and all branches of industry are in balanced relations. When this is the situation an attempt to drive the organization harder by the stimulus of more credit simply results in a competitive struggle for labor and supplies that drives up wages and prices. It does not increase production. It stimulates speculation and adventure rather than sound business. Beyond the use of credit to facilitate the full employment of capital and labor credit expansion becomes an influence upon prices, and, except as used to stabilize prices, an undesirable influence. Stability is the all-important requirement as to the credit supply.

Settling for Evils of Inflation

In this period of reaction and depression, the world has been settling for the excesses of the inflation indulged in throughout the entire time from 1900 to 1929. From the day when inflation had exhausted itself, and the expectation of higher prices began to wane, the over-hanging body of indebtedness became a subject of apprehension, and has accounted for the heavy liquidation of property of all kinds. The offerings have been too large to be readily absorbed, hence the disastrous loss of values.

The decline of values has been unprecedented because the inflation had been unprecedented, the body of indebtedness was unprecedented and the market, previously overweighted on the buying side became heavily overweighted on the selling side.

No Reappraisal

The disastrous shrinkage in nominal values of all kinds of property does not signify a deliberate reappraisal of values. It is due to the conditions which have forced an extraordinary volume of offerings upon the markets and at the same time frightened away purchasers. In other words, it is only an unusual demonstration of the workings of the law of supply and demand, frequently seen in the commodity markets, but in this instance seen in the real estate and security markets. The low prices will pass when the normal equilibrium between offerings and demand is restored.

Cause of Depression

The situation is not due to any change in the monetary system. Nor is there reason to believe that the supply of gold is inadequate to support a general revival of business over the world.

There are two primary causes of the disordered state of industry and business depression (1) the great increase of gold production since 1900, which has been largely responsible for the growth of indebtedness, and (2) the war, with its disturbance of normal industry and trade, including the violent disruption of wage and price relations.

U. S. Depends on Canada

Canada is the principal source of supply of newsprint for United States publishers, imports from that country being greater than the domestic production.

Business Editors Find Outlook Still Hopeful

An upward impetus in business that was still encouraging but to a less degree, is the latest summary of the outlook for business in the U. S. A. as found by 115 trade paper editors, members of Associated Business Papers, Inc. of New York. Two hopeful signs seen were the continued increase in freight carloadings and in the increase in employment of maintenance men by railroads.

The sharp summer rise in textile sales has relaxed, they found, but it was explained manufacturers are maintaining a back-log of orders.

Heavy engineering construction is dominated by road contracts at some $15,000,000 a week—more than double the weekly average for the year—the investigators disclosed. Building construction is holding to its slow August rate, but advance figures of September residential building indicate improvement.

Production of bituminous coal was found on the upgrade. In the oil industry it was discovered that numerous plant improvements are now under way and there is a tendency to prevent crude oil prices from following the recent gasoline price dips.

Enquiries developed that machinery manufacturers have not yet felt much improvement but are hopeful of later results.

The editors learned that the hotel business in recent weeks showed further improvement, with indications that commercial travel is definitely increasing.

Winnipeg Electric Net on Lower Basis This Year

From Our Own Correspondent

MONTREAL. — Winnipeg Electric Co. reports gross earnings in August last of $401,968, a decline of $36,998 from that reported for the same month a year ago. There was a reduction in operating expenses of $16,779, leaving net operating income for August last at $91,888. This compared with $112,107 in August, 1931, a decline of $20,219.

Cumulative returns for the eight months ended August 31, 1932, show gross income of $3,721,079, or $128,755 less than reported for the corresponding period last year. Operating expenses were reduced from $2,710,893 to $2,617,773. This left net earnings for the current period at $1,103,306, as against $1,138,941 for the first eight months in 1931.

Delegations Leave Coast for British and Orient

From Our Own Correspondent

VANCOUVER. — British Columbia laid the groundwork this week for two far-reaching campaigns designed to build up export trade.

Arrangements have been completed for sending a delegation to Great Britain to hold a watching brief during the consideration of the Empire trade agreements in London, with a view to seeing that coast industries are not neglected. From this move, it is expected, a permanent organization for the promotion of trade with the Motherland will be developed.

Steps are also being taken, at the suggestion of Hon. H. M. Marler, Canada's minister to Japan, for the organization of a trans-Pacific trade service to work in co-operation with Canada's trade commissioners in the development of Oriental markets.

Clover and Alfalfa Yield Expected to Drop in 1932

Returns indicate that clovers and alfalfa in 1932 promise a much smaller total yield of seed in Canada than last year, while more timothy and blue grass is in prospect. Alfalfa prospects are poor, as the first cut failed to set seed in Ontario and a short crop is expected in southern Alberta. Alsike is much reduced in acreage in Ontario and may yield under average.

A considerably reduced acreage of sweet clover for seed is reported in the western provinces and also in Ontario. Brome and western rye grass in the western provinces promise much more seed than last year owing to more moisture during the growing season. The acreage of bent grass for seed in Prince Edward Island is reported about 25 per cent less than last year.

Canadian Wool Exports Gain to Great Britain

The imports of the raw wool of sheep and lamb by the United Kingdom in the first eight months of 1932 amounted to 685,333,000 pounds. The leading countries supplying it were: Australia 211,754,300 pounds, New Zealand 177,643,300, British South Africa 143,642,700, Argentina 71,922,600, West Coast of South America with Bolivia included 25,115,000, British India 19,746,600, Uruguay 12,432,700, France 8,046,300, Irish Free State 3,121,900, Falkland Islands 2,717,700.

The Canadian export of raw wool to the United Kingdom in these eight months was 1,468,358 pounds. It was 647,193 pounds in the corresponding period of 1931.

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Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available at 25c

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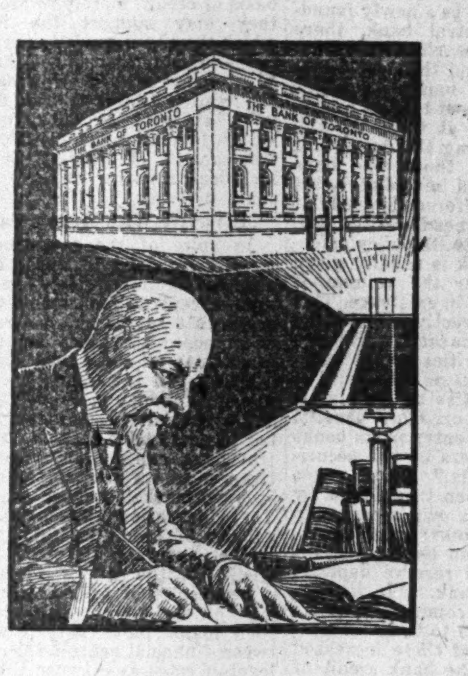

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DR. Adam Shortt in 1906 wrote in his "History of Canadian Currency, Banking and Exchange":

"Since its origin in 1855, The Bank of Toronto has maintained a remarkably strong position. Both in practice and principles, it has stood for *stability* and *safety.*"

Throughout its history, The Bank of Toronto has safeguarded the interests of its customers. In its financial relationship with agriculture, commerce, industry and mining, it has consistently followed the principle of sound, conservative banking laid down by its founders. Today the strength and management of The Bank of Toronto are such as to inspire confidence in every client. Its range of banking facilities, its long familiarity with commercial and other activities, make its services of real value to every citizen.

1855 1932

THE BANK OF TORONTO
Established 1855

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News of Investment Markets

WINDSOR MAYOR OUTLINES PLAN TO ADJUST DEBT

Proposes Five Year Moratorium on Principal Payments

TO AVOID DEFAULT

Bondholders Asked to Meet November 10 to Consider Extension of Maturities

Pleading that the burden of maturing debt during the next five years is too heavy and that prospects for a rapid and complete return of business activity is not bright, Mayor Croll, of Windsor, is proposing an adjustment of the city's debt which provides for concessions by bondholders and a lower tax rate for citizens of the city. The proposal includes the suspension of capital payment on Windsor's debenture debt for the five years, 1933 to 1937, and the extension of capital payments evenly over the following 35 years. Stating that the plan already has the unofficial sanction of representative, large holders of Windsor debentures, Mayor Croll asked that a meeting be called for Thursday, November 10, at which bondholders would consider the proposal.

The proposal included in a formal report to the Windsor City Council would provide for five years of absolute freedom from principal payments and these deferred principal payments aggregating $3,907,481 and all the rest of the city debenture debt would be spread out evenly from 1938 to 1972 on an actuarial basis. Under the proposed plan of adjusted maturity the bonds could be retired at approximately $450,000 each year beginning in 1938 which would be provided by a five-mill levy based on present assessment.

Would Extend Maturities

The present schedule of maturity for the next five years together with the mill rate based on 1932 assessment necessary to pay off sums maturing is as follows:

		Mills
1933	$1,120,199	12.8
1934	1,216,601	13.5
1935	899,522	10.0
1936	859,040	9.5
1937	812,120	9.2
Total	$3,907,481	

If the above maturities are deferred taxpayers will be relieved of one third of the 1932 mill rate in 1933 and 1934. This would result in a mill rate of some 25 mills in 1933.

It is also proposed to secure a reduction in interest rates on any issues on which the rate is considered excessive. A sinking fund is to be established in 1938 and held as a reserve for a more rapid extinguishing of the city's debts and the annual payment to the fund would be decided by the city council each year. The city's share of the Sandwich, Windsor, and Amherstburg Railway obligation and the Windsor, Essex & Lake Shore Railway obligation is to be definitely ascertained and be paid off gradually through the same plan as the direct debt.

Propose Comptroller

It is proposed that Windsor should enter no further joint obligations with sister municipalities, excepting the Essex Border Utilities Commission, during the next five years; that no capital expenditure be made without a vote of the people during the same period and that the office of financial comptroller shall be immediately set up for a period of at least five years and rulings of the comptroller on the financial matters of the city to be effective unless vetoed by a two-thirds vote of the council. The comptroller would have full control over all spending bodies elective or non-elective on any matters pertaining to finance. It is suggested that Thomas Bradshaw be asked to accept this situation temporarily for a period of six months and to assist in working out a composition with the creditors of the city.

Mayor Croll states that the proposed composition does not constitute a default and does provide for citizens of Windsor continuing to run their own affairs. The acceptance of the programme would relieve the taxpayer of a levy of approximately 10 mills on his tax bill during the next five years and will give immediate relief in 1933 and 1934 to the extent of at least a reduction of one-third in taxes based on the 1932 mill rate which would result in a 25 mill rate in 1933. The cost of preparing and issuing new debentures would be met by the City of Windsor.

Must Otherwise Default

If the offer is refused by bondholders, Mayor Croll states that default is inevitable. Refunding through issuance and sale of securities to take the place of those now outstanding is impossible because of market conditions over which the city has no control. It is definitely stated that if the bondholders do not accept the composition the city will default and will be placed under a board of supervisors and for the next year or so bondholders would have neither interest or principal and in the end would have to take a settlement. It is not necessary to include the floating debt of the city to the Canadian Bank of Commerce which amounts to $2,600,000 since this debt is secured by assignment of arrears and taxes of approximately $2,600,000. The city has a principal payment of some $800,000 coming due in December and the budget for 1933 is to be ready by November 20. Both of these items call for early consideration of the proposed adjustment by the bondholders.

Debt Is High

The municipal debt of Windsor at January 1, 1933, will be $12,476,514 in direct liabilities while indirect liabilities include $2,895,722 on the Sandwich, Windsor & Amherstburg Railway account and $354,488 on the Windsor, Essex and Lake Shore Railway account. Total debt of the city on the above date will be $18,326,734 which includes floating debt owed to the Canadian Bank of Commerce of $2,600,000.

The joint and several obligations to the Essex Board of Utilities Commission are not included in the above figures since this debt is self sustaining and it is stated that there is no fear that the city will become liable for obligations of the defaulting municipalities in this connection because the government of Ontario by special legislation has fixed obligations for sewer, water, and public health to be a first charge on all taxes and must be paid by the municipalities which are under control of the Board of Control in priority to other debts. The Essex Board of Utilities Commission debentures can, therefore, he safely disregarded in any scheme of composition.

Heavier Wheat Movement Helps C. S. L. Revenue

From Our Own Correspondent

MONTREAL. — Canada Steamship Lines has experienced a better volume of grain traffic in the last two months, than was the case for the corresponding period in 1931, judging by the Federal report on grain exports.

During the first two months of the current crop year ended September, exports of Canadian wheat totalled 45,164,069 bushels. This compares with 26,244,745 bushels for the same two months last year. Exports during the past month, amounting to 26,874,237 bushels, were nearly twice as great as for September, 1931.

More Ships—Higher Rates

The increase in grain traffic has brought into use a larger percentage of Canada Steamship's upper-lake freighters. Until recent weeks only about two thirds of the company's tonnage of lake freighters were in service. At present the percentage is appreciably greater.

Combined with the increased tonnage, Canada Steamship Lines stand to benefit to a greater degree by the increase in carrying charges. Through the operation of the Lake Freighters' Association, rates for carrying grain have been materially increased this year, so that with the gain in tonnage, revenue accruing to Canada Steamships from this source of traffic, will be substantially greater this year.

New Toronto Bonds Are Offered at Par

Offering an issue of New Toronto 6 per cent bonds at par which mature from 1933 to 1947 Harris MacKeen & Company have issued a folder on the town. Featured as a recent centre of industry close to the city of Toronto, population has grown from 5,023 in 1926, to 7,280 in 1931, and during the same period total assessment has increased from $7,102,778 to $8,219,581.

The total taxable assessment for 1932 is $8,696,893 and total debenture debt is $1,979,994. After deduction of self sustaining public utility debts amounting to $1,398,480, the net debenture debt of the town is shown at $581,514. Of the net debenture debt, $230,566 is for schools, $173,131 for municipality's share of local improvements and $177,817 is for general purposes. Total accumulated tax arrears amount to $80,472 and approximately 70 per cent of the 1932 tax roll of $340,220 has been collected.

Cut Expenses $2,000,000 Aim of B. C. Cabinet

From Our Own Correspondent

VANCOUVER. — The provincial government is now working on a programme of retrenchment aiming at the reduction of estimates by at least $2,000,000. This is a direct result of the recommendations of the Kidd committee which, however, urged that economies totalling $6,000,000 should be attempted.

The government does not believe that this larger figure can possibly be achieved because of the heavy fixed indebtedness of the province. The current estimates total nearly $25,000,000, but the finance department, after overhauling its figures, believes that two millions can be slashed from this total through various plans to be acted on at the January session of the legislature.

Bond Sales

SARNIA, ONT.

H. R. Bain & Co. has been awarded $133,474 5½ per cent 20-installment debentures of the City of Sarnia, Ont. at 100.93, a cost basis to the city of 5.39 per cent. Bids for the issue are reported as follows:

1 H. R. Bain & Co.	100.93
2 Cochran, Murray & Co.	99.00
3 Harrison & Co.	98.64
4 McLeod, Young, Weir & Co.	98.57
5 C. H. Burgess & Co., Gairdner & Co.	98.52
6 A. E. Ames & Co.	98.50
7 R. A. Daly & Co.	98.86
8 Matthews & Co.	98.257

WELLAND, ONT.

Griffis, Fairclough & Norsworthy have been awarded $136,586 5½ per cent debentures of the City of Welland, Ont. at 101.07, a cost basis of 5.34 per cent. Of the total issue $28,721 matures in 10 installments and $107,865 matures in 20 installments. In addition to five bids for the entire issue there were several bids on an option basis. Bids are reported as follows:

1 Griffis, Fairclough & Norsworthy	101.07
2 Bell, Gouinlock & Co.	100.63
3 Milner, Ross Securities Corp.	100.51
4 Harrison & Co.	100.18
5 Dominion Securities Corp.	99.079

The following bids were on an option basis:

Gairdner & Co.	99.50
C. H. Burgess & Co., H. R. Bain & Co., J. L. Graham & Co.	99.18
Wood, Gundy & Co.	98.00

BRITISH COLUMBIA

A Canadian syndicate composed of A. E. Ames & Co., Dominion Securities Corp., Wood, Gundy & Co., Canadian Bank of Commerce and Royal Bank offered $4,015,000 5 per cent non-callable gold debentures of British Columbia in New York on October 10 at 96½ to yield 6.3 per cent to maturity on October 1, 1935. Principal and interest is payable in New York or Canadian gold coin.

Bond Tenders

Village of Ripley—$4,600, 5 per cent installment debentures, maturing Dec. 15, 1932 to 1938. Price par and accrued interest. E. F. Martyn, clerk, or D. Munn, reeve. (See announcement on page 10).

Oct. 17, St. Catharines—$69,500, 5 per cent unemployment relief works debentures maturing serially 1 to 10 years; $26,336, 6 per cent 1 to 10 years installment local improvement debentures dated Oct. 15, 1932. Stuart K. Watt, treas. (See announcement on page 10).

4 o'clock, Oct. 18, Village of Swansea—$248,957, 5 per cent 10, 15 and 30 year local improvement debentures; $82,376 6 per cent 30-year storm sewer debentures; $15,000, 6 per cent 30-year school debentures; $1,650, 6 per cent 5-year fire truck debentures. N. L. Ivey, clerk, 83 DeForest Road.

Noon, Oct. 13, Twp. of Ancaster—$47,843 6 per cent 30-year waterworks debentures. W. R. English, reeve, Ancaster.

6.30 p.m., Oct. 19, Bathurst, N.B.—$200,000 5½ per cent debentures dated May 1, 1932, and maturing May 1, 1952. J. G. Stout, treasurer.

LAWRENCE FLOUR COVERS DIVIDEND ON SENIOR STOCK

Forthcoming Report Regarded as Good in View of Conditions

From Our Own Correspondent

MONTREAL. — St. Lawrence Flour Mills Co. annual report for the 12 months ended August 31, 1932, being forwarded to shareholders toward the end of this week, will show earnings as having been well maintained.

In the 1931 fiscal year St. Lawrence reported net earnings at $90,266 and after the payment of senior charges $65,787 was left to take care of preferred dividends totalling $40,250.

Though details of the 1932 statement are not available, it is understood that the balance available after senior charges will be sufficient to cover preferred dividends, though the margin may not be as great as in 1931, when the surplus totalled $25,537.

Shipments Were Larger

Operations of St. Lawrence Flour during the past year have been relatively satisfactory. It was not a particularly good year for any of the milling companies, but despite the general unsettlement in both domestic and export markets, St. Lawrence managed to show larger shipments than was the case in the previous year. The selling value of the company's products in the past twelve months, however, was on a lower scale, so that sales values did not aggregate so highly.

The balance sheet also is expected to make satisfactory reading for the shareholders. On August 31, 1931, the company reported a net working capital position of $485,913, a gain of about $60,000 over the previous year. Included among current liabilities was a bank loan of $232,211. This was below the average prevailing in the past seven years.

The funded debt had been lowered slightly, while the suspense account had been increased during the year from $5,510 to $32,658. There was no change in outstanding capital stock, while surplus increased from $344,309 to $369,846.

IRON MANUFACTURES ALL DOWN IN 1931

Automobile Industry Shows Largest Decrease of $42,000,000

Every individual group in the iron and steel industries of Canada recorded decreased production in 1931 compared with the previous year, the decreases ranging all the way from $42 millions in the case of the automobile industry to $1,000,000 in the bicycle industry. The decrease in the latter industry, however, was more than 50 per cent of 1930 production.

Preliminary figures compiled by the Dominion Bureau of Statistics indicate that the total value of production of iron and steel and their manufactures amounted to $385,189,061 in 1931. This total was $184 millions or 32 per cent below the corresponding value for 1930.

Reports were received from 1,248 establishments in 1931 compared with 1,196 in 1930. These concerns gave employment to an average of 99,150 persons and paid in salaries and wages the sum of $122,577,587. These figures compare with 119,987 persons and $165,429,608 in 1930.

Imports into Canada of iron and steel and their products were almost 50 per cent less than in the previous year, the respective figures being $116,209,368 and $223,691,315. About 83.6 per cent, or nearly $100 millions of the imports of this class came from the United States and 12.2 per cent, or $14 millions from the United Kingdom. In 1930, the percentages were 87.6 and 8.4 respectively.

Exports totalled $19 millions compared with $47,565,000 in 1930. Re-exports were less than $4 millions in both years.

Production of Iron and Steel and Manufactures

	1931 $	1930 $	% Decr.
Primary	36,911,245	52,588,985	29.8
Castings	52,426,377	74,233,671	29.4
Boilers & engines	7,586,798	9,597,289	21.0
Agr. implemts.	11,734,256	26,902,139	56.4
Machinery	38,983,748	53,749,482	27.5
Automobile	59,674,345	101,677,487	41.3
Auto parts	12,669,527	18,401,587	31.2
Bicycles	920,694	1,962,947	53.1
Rly. rolling stock	67,865,070	104,922,701	35.3
Wire & wire goods	14,191,850	18,200,058	22.0
Sheet metal prod.	42,313,261	47,067,479	10.1
Hardware & tools	13,348,890	21,474,155	37.8
Bridges & constr.	22,096,933	26,055,783	15.4
Miscellaneous	4,466,067	12,912,310	65.4
	385,189,061	569,745,073	32.4

Dominion Steel Opens Miners' Wage Question

From Our Own Correspondent

MONTREAL.—Dominion Steel and Coal Corp. will initiate wage contract negotiations this month, with the United Mine Workers. At present men are receiving 10 per cent and 12½ per cent less than amount called for in contract which expired last January, present scale being based on recommendations of the Duncan Commission. Newly organized Amalgamated Mine Workers has notified company it is ready to enter into wage negotiations, but company recognizes only United Mine Workers.

New Curb Member

From Our Own Correspondent

MONTREAL.—C. C. Fields, of the Norris Grain Co. of Winnipeg, has been elected to membership in the Montreal Curb Market. The firm represented by Mr. Fields does a Western business in many of the securities listed on the Curb Market.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104
Pacific Burt	6½%	1937†		

†Purchase of $15,900 for sinking fund up to Oct. 22, 1932.

*Called in part.

MERLAND OIL CO. DECLARES INITIAL 2½ CENT DIVIDEND

Criticism Follows Announcement at Annual Meeting

At the annual meeting of shareholders of Merland Oil Co., held in Toronto on October 11, Hon. Manning W. Doherty, president of the company announced that an initial dividend of 2½ cents per share would be paid on November 15 to shareholders of record on October 31, 1932.

A heated discussion was staged when an opposing group from the West represented by T. J. Agar, K.C., sought control of the company. This resulted in an adjournment until October 15 to permit of securing a complete record of stock transfers.

Mr. Doherty announced that the revenue from the company's one producing well in the Turner Valley field had during the past several months been sufficient to permit a regular dividend of 2½ cents quarterly being paid but would not necessarily give the company a chance to accumulate a surplus large enough to finance the drilling of another well.

Since April 30, 1932, the date of the annual report, the company has accumulated about $30,000 in the bank and had about $9,000 coming from the September production.

Administration Defended

In replying to criticisms of the company's administration by Alfred Hinds of Calgary, formerly managing director of the company, Mr. Doherty related how he had been instrumental in procuring a loan of $50,000, which had permitted the completion of the well, the production from which now made dividends possible. Up until a short time ago he said he had received no remuneration from the company but by a resolution of the directors $5,000 had been voted to him and $4,000 for distribution among the other directors.

Memberships Two Exchanges Cannot be Held

Standard Stock & Mining Exchange members decided at a meeting on October 5 not to give permission to members to buy seats on the Toronto Stock Exchange. Automatically therefore this cancels the tentative resolution passed recently by Toronto Stock Exchange members to permit member firms buying a seat on the Standard Stock & Mining Exchange. A clause in the original resolution provided for withdrawal of permission in case Standard took the action which it has taken.

Members of Standard Stock & Mining Exchange were unanimous in stating that their action was not to be taken as an unfriendly act toward the Toronto Stock Exchange. They appreciate the advances which have been made in the last year or two toward a better understanding and the real progress made in delimiting the scope and functions of each exchange where there was most chance for conflict of interests. The proposal was voted against, it was stated, because most of the members felt that further development of amicable relations could occur better without interchange of members in this way.

Prominent in the opposition were some members who believe that eventually even though a long way off it may turn out that best interests of the securities market in Toronto may be served by merger of two exchanges. In such a case double memberships would complicate matters. It was stated that no early move toward merger is expected. There is lots of opposition on both exchanges toward such action but it is nevertheless felt that neither exchange should take any action which would close that door because at some time in the future amalgamation might conceivably turn out to be to the best interests of both.

Obituaries

Archibald Fraser, president of Fraser Companies Ltd., and director of the Royal Bank of Canada and other financial organizations, died while on a hunting trip in New Brunswick. Mr. Fraser was born in Aberdeen, Scotland, on April 22, 1869. His family came to Canada shortly thereafter, settling in Carleton Co., where his father established a lumber business. From this beginning, Archibald Fraser organized the present Fraser Companies Ltd.

SYDNEY, N.S., REDEEMS BONDS

Redemption by the City of Sydney, N.S., of $275,000 of bonds on Oct. 1, retires a long outstanding debt. Of the amount redeemed on Oct. 1, $257,000 were issued in 1902 and $16,000 were issued in 1912. Bonds were sold at that time to provide money for services including waterworks, town hall, sewers, schools, court house and fire and police departments. The bonds were not entirely covered by sinking fund, and it is believed that some $70,000 was secured by the city in order to redeem the bonds at maturity.

Unwise to Tie Up Estates Too Tightly, Says Callaway

Trust Companies Not Anxious for Unneeded Trusts, Says American Trust Company Official

Many men, after struggling to amass a fortune, and knowing how hard it is to make and save and keep money, are bent upon tying up what they leave for just as long, and as tight, as the law will permit and human ingenuity devise, declared Merrel P. Callaway, vice-president of the Guaranty Trust Company of New York, in a recent address at the trust conference of the Pacific Coast and Rocky Mountain States in Los Angeles.

"Now, all of us know from experience with many estates that sometimes this is unwise," continued Mr. Callaway. "The wife should be protected against loss of principal, the daughters also, though to a less extent, and in some cases the sons, when habits or disposition or tastes make it wise to have their estates administered for them. But even in the case of daughters, should not some part go outright where possible, and in the case of most sons, should not all or the greater part go outright, limited perhaps to some age of greater discretion than twenty-one years? Is it not better to give these young men, when they show any disposition for business or for affairs, the opportunity of using this capital for the advancement and development of themselves? It seems to me that it is. The public should understand that we are not seeking unnecessary or unneeded trusts, and that we advise trusts only when some particular protection is needed, or some particular purpose, meritorious in character, is to be carried out—trusts that would be proper regardless of whom the trustee might be.

Trust Figures Often Confuse

"We could, I think then overcome whatever remains of any misapprehension in the public mind about trusts and trust funds by showing the real situation as to the funds held in trust. There is much confusion in the figures, or in the understanding of the figures, given out as to the amount of funds held in trust by the trust institutions. Everything that comes into trust departments of trust institutions is lumped as one big sum, and treated as if it were all held in trust, tied up indefinitely, and withheld from the uses of commerce and trade.

"The fact that vastly the greater part of this whole comes to the trust institutions as executor or administrator, and is paid out and distributed as rapidly as the estate can be settled, and that only a small proportion of such estates goes into trusts, is completely overlooked, or ignored. That these testamentary trusts, passing over from the estate, as a rule come to an end and are divided out within a few years, depending usually upon the latter years of some beneficiary, or awaiting the majority of infants, ten years being a fair average, we know to be true.

Trust Funds Valuable

"Eliminating from trust figures all of these improperly included factors, the remainder, constituting the pure trusts of which the trustee is in control, is in reality a small part of the whole.

"In the aggregate of the whole country, however, these actual trust funds amount to a very considerable sum, although compared to the whole wealth of the country, an almost negligible part. In its use it is one of the most desirable and public serving funds of the entire country. For the funds of this class, held by trustees, form a reservoir from which money flows into the development of railroads, public utilities, public works, the building of homes, and the needs of the country for long term capital.

Trustees Do Not Control

"Trustees do not hold trust funds in cash or deposited in bank, but, controlled as they largely are by the trust investment laws of the states, invest these trust funds in securities of railroad companies, public utility companies, mortgages on real estate, and bonds of the United States Government, the states, the counties, the towns and cities, and their bond issuing sub-divisions. Where not restricted by law to investments of the character just stated, trustees for the most part follow the so-called legal lists of approved investments, adding securities of industrials and others they consider safe. As all of us know, very few stocks are purchased—some preferred stocks but very few common stocks—in these trustee controlled trusts, and but very little voting power rests in these trustees.

"Therefore, it should be evident to any thinking man, that these trustees, and these trust institutions, do not have or exercise any control over those corporations whose bonds they buy, or over any state or city in whose securities they invest. And that these trust funds in the hands of trust institutions, invested as they are, and being constantly and continuously divided among and turned over to beneficiaries and remaindermen as the trusts terminate, constitute no threat or possibility of harm to the people of this country."

Ontario Gas Tax Cut by Failure Of Beaver Pete

Bankruptcy of Beaver Petroleum, owing the Government $2,400 for gas taxes on petroleum sold demonstrates the possibility of owners of service stations retaining Government money as working capital for a considerable period. Through about 60 service stations, including pumps outside various dealers' places of business, the company sold 40,000 gallons of gasoline or thereabouts on which bankruptcy cancelled taxes due so far as immediate situation is concerned. That is, it sold on an average of 666 gallons per service station, or filled tanks of about 66 cars, on which no tax was paid to the Government even though collected from the general public.

It is understood that the Government is commencing to bond proprietors of stations to prevent the heavy losses which are possible under the present method of tax collection. It is a great temptation to weakly financed owners of service stations to use the Government tax money collected for a period for capital until remittance has to be made. The jobber is supposed to make tax returns to the Ontario Government monthly. On the 20th of each month he is supposed to hand in returns on business of the previous month. That gives leeway of about six weeks to companies after they are in difficulties. The Government in some cases has proved a lenient creditor but it is beginning to tighten up and in some cases it puts its own man in at the pumps to collect the money owing as gasoline is sold. Much of the gasoline sold to independents comes from Canadian refiners and in the past considerable credit has been given. With the Government as a preferred creditor refiners are obliged to curtail credit more than formerly.

Help Trade Balance

Pulp and paper exports are one of the principal factors in enabling Canada to set up a favorable balance of trade. Over $100,000,000 of pulp and paper is exported annually, while imports are negligible.

Foreign Exchange

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Oct. 4	10 1-8	9 7-8	14	14
Oct. 5	10	9 7-8	..	..
Oct. 6	10 1-8	9 15-16	..	..
Oct. 7	10 1-8	10	12 5-8	12 1-4
Oct. 8	10 1-16	9 7-8	12 3-4	12 1-2
Oct. 10	..	..	10 1-2	9 3-4

Sterling, Francs and Lire

Close Demand in New York

	Sterling	Francs	Lire
Oct. 4	3.45 1-16	3.91 3-4	5.12 3-8
Oct. 5	3.45 1-8	3.91 15-16	5.12 1-4
Oct. 6	3.45 1-8	3.92 3-16	5.12 1-4
Oct. 7	3.45 1-8	3.92 3-8	5.11 5-8
Oct. 8	3.45 1-2	3.93 9-16	5.12
Oct. 10	..	..	..

Close Demand in Toronto

Par		Sept. 26	Oct. 3	Oct. 8
5.26	Italian	5.66¾	5.63¾	5.63¾
23.80	German	26.31	26.17	26.12
13.90	Belgian	15.33	15.24	15.28
49.80	Japanese	26.66	26.26	26.20

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Municipal—							
Sarnia	Oct. 10	H. R. Bain & Co.	5½%	20-ins.*	$133,474	100.93	5.39%
Welland	Oct. ..	Griffis, Fairclough & Norsworthy	5½%	1936-52	136,585	101.07*	5.84%
New Toronto	Oct. ..	Harris, McKeen & Co.	6%	1933-47	148,182	*100	6%
Provincial—							
British Columbia	Oct. 8	A. E. Ames & Co., Dominion Securities Corp., Wood, Gundy & Co., Canadian Bank of Commerce, Royal Bank	5%	1935	$4,000,000	†96½	6.30%

†Offered in New York.
*Offering price.

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1847 — 1932
CANADA LIFE
EIGHTY-FIFTH ANNIVERSARY

CHANGE OF NAME

BONDED ROYALTIES, LIMITED
has been changed to
BONDED CORPORATION, LIMITED
(under Supplementary Letters Patent)

Since the incorporation of the Company, Bonded Royalties Limited paid to the Certificate Holders through THE IMPERIAL TRUSTS COMPANY OF CANADA the following returns:—

Participation Trust Certificates
have paid $39.08 during the past twenty months on every $100 invested. (No Reserve created for this issue.)

Bonded Trustee Shares
have paid 1% regularly on the first day of every month; balance of earnings being transferred to the Reserve Account for this issue.

Royalty Trust Certificates
have paid 1% regularly on the first day of every month; balance of earnings being transferred to the Reserve Account for this issue.

Bonded Trust Certificates
have paid 1% regularly on the first day of every month; balance of earnings being transferred to the Reserve Account for this issue.

RESERVES
In addition to earning and paying these attractive returns LARGE CASH RESERVES have been built up on the last three issues and are now held by THE IMPERIAL TRUSTS COMPANY OF CANADA in TRUST for the Certificate Holders.

ENVIABLE RECORD
This enviable record made during the past two years —(when values were dropping and dividends were being passed)—has brought about an increasing demand upon the services and facilities of this organization to select and arrange investments for both Individuals and Estates. In view of this new phase of the company's business and in bringing out the last issue—

BONDED TRUST CERTIFICATES
100,000 UNITS
it was deemed advisable to adopt a name that would be more descriptive of the company's operations. In future monthly dividend announcements will be made under the name BONDED CORPORATION LIMITED

Complete information upon request.

BONDED CORPORATION, LIMITED
261 ST. JAMES STREET MONTREAL
FEDERAL BUILDING TORONTO

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TORONTO, OCTOBER 15, 1932

"REMEMBRANCE DAY" SHOULD BE SUNDAY

THERE will be time in the coming short meeting of Parliament to correct the mistake that was made when November 11 was declared a statutory holiday under the name of Remembrance Day. When this was done, another holiday, floating around in the middle of the week, was added to the already long list of holidays that are bad for business: another holiday was added to the list of those that are indifferently observed; and what should have been a day of humble remembrance was turned into an ordinary occasion for sport and jollity.

Remembrance Day, commemorating the ending of the greatest war in history, in which thousands of our sons were killed and many more injured, and which almost destroyed the basis of our social and economic lives, should be semi-religious when tribute should be paid to sacrifice; when the reasons for the war could be discussed and the public mind prepared for policies that would prevent a similar catastrophe happening again. For such a purpose the Sunday nearest to or immediately preceding November 11 would be the best day possible. It should be a day of prayer and remembrance set aside by the government but not a holiday to stop the wheels of industry from turning, and to give everyone a chance for a round of unremembering merriment.

FARM MARKETING BOARD AND ITS FUNCTIONS

THE project for establishing an Agricultural Marketing Board, which is being sponsored by the Dominion Minister of Agriculture, the Hon. Robert Weir is one which should be regarded with a good deal of hesitation, if for no other reason than the lack of success which has attended other projects having for their aim benefit to agriculture. In no other part of the world has so much money, or so much effort been devoted to the promotion of farming interests as on the North American continent, in Canada and in the United States, and the present condition of agriculture in these countries is enough to make farmers wonder what they have got out of it. No detailed criticism of the latest project is possible because apparently no definite programme is in mind. Rather, there is to be appointed a commission which is to determine what such a marketing board might do, and how it might attempt to function. But that such a board, if and when established, would be expected to exercise an influence on prices, is indicated by some remarks of the Minister of Agriculture with respect to the control of price spreads. The record of attempts, both in Canada and the United States, to exercise control over the price of wheat does not encourage hopes in this direction.

Other tentative suggestions by the minister would suggest that the object in mind is rather to promote the flow of export material of high quality, in which case its efforts would be mainly directed toward livestock and dairy products.

It is quite possible that a government agency which concerned itself with marketing could do a certain amount of good, provided its sphere of activity were severely limited. Troubles would be in sight as soon as it should itself undertake any commercial functions, engaging in buying and selling, and still worse troubles if such activities should be accompanied by an idea that price control is possible. But there are some Canadian products which might possibly be advertised to advantage in other countries, there are some problems connected with exporting goods which are not understood as well as they might be, and there is possibly some information about the requirements of foreign markets which might be brought back to producers in Canada. Activities such as these might at least be harmlessly pursued; although the work would have to be well done to justify the expense. But it may be taken as more than probable that a government board which undertakes to sell wheat or bacon or cheese or butter is not going to lessen the burdens of the Canadian farmer, but is likely to add to them.

PAGE MICAWBER

THE famous words of Micawber about income and happiness are called sharply to mind by a small table reprinted this month for the first time in the monthly review of business statistics published by the Dominion Bureau of Statistics.

The table shows year by year the chief sources of revenue and total expenditures of the dominion. For the fiscal year ending March 31, 1932, income is at the lowest point of any recent years while conversely expenditure is at the highest point for the same period.

Comparing 1924 and 1932 we find income has dropped $70,000,000 or 17½ per cent, while expenditure has risen $80,000,000 or nearly 22 per cent. Thus a margin of revenue over expenditure which in 1924 was $36,000,000 has disappeared and a deficit of over $115,000,000 has taken its place. This deficit will be greatly increased in 1933.

The private individual who fails to learn the bitter truth of Micawber's monetary philosophy finds misery; the business which fails to heed it finds bankruptcy—so do governments sooner or later.

LIFE INSURANCE TAKES STOCK

ONE OF the most able addresses of the recent American Life Convention in Toronto was an analysis by J. G. Parker, actuary of the Imperial Life Assurance Co. of the part played by life insurance during the economic crisis of the past three years. Mr. Parker is one of the foremost actuarial minds on this continent and his name and ability are recognized not only in America but also in Great Britain and Europe.

Mr. Parker observed that one of the foremost indications of public confidence in life insurance has been the notable increase in sales of "investment" policies such as annuities and endowments, premium receipts from which are expected to be at least double those of two years ago. Such a development, he pointed out, was of fundamental significance to the business for it would force companies to maintain a more liquid cash position than in former years. It will also affect the training and personnel of the agency force, Mr. Parker thought, with the probability of creating a difficulty in the reversion to the selling of life and protection policies as in former years.

Another change which Mr. Parker forecast as a result of the experience of the past three years, was a reduction in the present scale of surrender values, particularly in the early policy years. His comments were as follows:

> "I have made a good many calculations at various rates of premium under non-participating policies and at various rates of premiums and dividends under participating policies and I feel that in a great majority of our companies the surrender values in the early policy years are decidedly too high It is unfortunately therefore the case that in a time of heavy surrenders, such as the last two years, the companies must have experienced a very considerable loss on account of these surrenders. I would urge that the time is ripe for a careful review of our surrender values and for a decided change in the amount of the surrender charges, particularly in the early policy years. I cannot conceive that such a change will be a deterrent in the production of new business because although there is a wide divergence between the surrender values granted by a few companies as compared with those in general use, yet the companies with the lower values have not noticeably suffered in the production of new business.
>
> "I am very glad to state that several of the prominent companies in the United States are at present considering an increase in surrender charges, and if this is the case, then I am sure that their example will be one which it would be well for us to follow, and follow without delay.
>
> "We owe it to the life assurance business to make sure that the lessons of the last two years do not pass unheeded and that we create for ourselves in the future a sounder position in regard to our surrender values and our policy loans."

Another trend which came in for comment was the method being used by many companies to attack the major problem of reinstating policies against which heavy policy loans were made. Many companies have advised agents they are willing to cancel the loaned policy and issue new insurance on the life of the policyholder for the amount of the original contract, less the amount of the loan, without asking for evidence of insurability. "It seems to me," Mr. Parker told the conference, "this particular method of dealing with the situation is fraught with the gravest danger. It would necessitate a stricter control of our agency forces than many of us possess. It would necessitate a stricter self discipline on the part of every agent than we might have the right to expect in the ordinary man. It might readily prove to be the means of creating an era of switching the companies' business within the companies' own ranks which it might take years to eliminate."

On the all-important matter of investments, Mr. Parker commented on the remarkable manner in which insurance company holdings had withstood the gruelling test of the past three years. "This very fact, in my opinion, has been very largely responsible for the general display of confidence in our life assurance companies by the public throughout the United States and Canada. It is useless to deny, however, that some of our investments have suffered in the readjustments which have taken place and which are still being made throughout the country." He warned that as a result of the heavy drain on companies by reason of increased policy loans and surrender values, ordinary investment procedure had had to be modified and a larger proportion of assets maintained in cash or short-term securities. "This will undoubtedly have an effect on the rate of interest earned as compared with previous years," he said.

The suggestions and comments thrown out by Mr. Parker and which were reiterated by many of the speakers at the convention, are an indication of the sound, far-sighted leadership which the business of life insurance on this continent enjoys. One important reason why life insurance stands so securely in the confidence of the general public is because it has been guided by some of the ablest and soundest minds of our generation and it has never turned a deaf ear to constructive and helpful suggestions from its own confines.

CANADIAN WHEAT GOES THROUGH HOME PORTS

CANADIAN wheat is this year going out from Canadian ports to a larger extent than in previous years. In view of the constant political friction that has prevailed in Canada for many years as to the use of Canadian ports for shipping Canadian grain this trend is gratifying.

In the first nine weeks of the crop year (August 1 to September 30) Canada exported 38,800,000 bushels of wheat and 34,400,000 bushels or 88 per cent went out via Canadian ports.

In the same period of 1931 Canada exported 22,700,000 bushels of wheat and 17,000,000 or less than 75 per cent went out from Canadian ports.

The shipments this year and last year, by routes, compare as follows:

	Nine weeks 1932 bush.	1931 bush.
Canadian routes:		
Montreal	19,700,000	8,800,000
Vancouver	8,800,000	6,500,000
Churchill	2,200,000	500,000
Sorel	3,200,000	1,000,000
Victoria	300,000	nil
Quebec	160,000	90,000
U. S. ports	4,100,000	5,800,000

Various reasons are assigned for the preponderance this year of Canadian shipments. Low rail rates in Canada, development of national ports, opening of Churchill, development of the western route, are all factors that have operated in more or less degree in recent years.

This year there has been in addition closer co-operation between lake vessel operators on the Great Lakes and the railways. The two groups have worked together to prevent senseless slashing of rates and to keep the east-bound trade on Canadian lines as far as possible.

STAND-STILL

MANY vitally important international matters are at a stand-still until after the United States election. There is the World Economic and Monetary Conference, the discussions on the Lytton report on Manchuquo, the St. Lawrence waterway, disarmament, etc.

If the Democrats win the election, and this is quite possible if not probable, there will be a further delay of five months before a new administration can come into power. True there will be another meeting of Congress but it will be a "lame duck" session that will include many representatives and Senators who will have been defeated at the November elections.

The United States constitutional and political system is hardly adapted to the needs of world politics at a time like this.

THORNTON SPEAKS WISELY ON RAILS

NOW that Sir Henry Thornton is completely out of the Canadian National Railways situation we are beginning to learn that his private ideas on the railway tangle in this country are not precisely the ones that he expressed as president of the Canadian National Railways. Perhaps, if Sir Henry had been willing to speak out before, the railway problem would not have dragged along, unsettled but getting worse, for so long.

Sir Henry now believes in the "elimination of superfluous competition." As chairman of the C. N. R. he set out, first to put his line in a position equal to that of the C. P. R. and then to attempt to keep one jump ahead of the C. P. R., even when the C. P. R. countered. He started a race, the C. P. R. kept up and the public paid.

He warmly approves the plan of the Duff commission for the elimination of political influence from the government owned system. He adds: "I know what political influence is because I fought it ten years." Sir Henry does not say whether he fought it successfully or not but when he was chairman of the C. N. R. he was constantly assuring the public that there was no politics in his system.

Sir Henry makes the suggestion that if railways get together on eliminating competition that the C. P. R. should drop its through Toronto-Montreal service, using the Canadian National lines. On the other hand he makes a statement that may prove embarrassing to his successor when he says: "The Canadian Pacific's transcontinental route is superior to the Canadian National's and the former should therefore be used for through traffic in the future."

EDITORIAL NOTES

An after luncheon speaker in Toronto said prosperity would start at the grass roots. For burnt out Southern Saskatchewan it will certainly start when there is enough rain to start the grass growing again.

* * *

A speaker in Toronto last week was very sarcastic about democracy as it is practised "in this country," but he was an American talking to a convention that was largely American and perhaps he just forgot for the moment where he was.

* * *

We were always under the impression that both Hoover and Roosevelt were rather decent citizens, but after reading about them in their respective opposition papers across the line, we have come to the conclusion that the men we were thinking of must have been a couple of other fellows.

POST-scripts

MANY are the stories told of William Randolph Hearst's negotiations with the manufacturers over the price of newsprint. It is said of him that the price does not matter as long as he has an edge on his competitors. For years Hearst has threatened to establish his own newsprint manufacturing company. Such a step would be a blow to operators now in the field. Along these lines it is said that he keeps a set of plans for a newsprint mill spread out on a large desk in his office. Paper salesmen calling upon him are given every opportunity of seeing these plans. They cannot get out of the office too quickly in order to take the news back to headquarters that "Hearst has drawn up plans for a newsprint mill." This dodge is said to have been worked on more than one occasion, but the Hearst papers are still buying their newsprint.

NEWSPAPER reporting has its tricks and its traditions. One of the customs decreed by some now extinct city editor whose regulation is still obeyed by most good reporters, is that the whole story should be summarized in the first sentence, expanded in the second and then developed at length.

Such a manner of writing has two journalistic advantages. In the first place, it permits the "make-up" editor, who has an article too long for the space assigned to it, to condense it by dropping off paragraphs at the end without leaving out essential facts. In the second place, it permits the busy reader to get the gist of the news quickly if he is pressed for time. It has other advantages. A newspaper may want to run the whole story in the first edition, a smaller story in the next edition and possibly only a line or two in the final edition as fresh news comes in. The ideal newspaper news story is one from which the first sentence, or the first paragraph or the entire article can be selected for publication without a word being re-set.

The hardest story to get in a single sentence is the report of a supreme court decision reversing a series of lower court decisions that have in each case reversed some previous decision. The reporter who can tell such a story in a single line is a wonder.

NUMEROUS examples of red tape, as she is practised in Washington, were given to a Toronto meeting last week by Merle Thorpe, famous business paper editor. One was the case of the farmer, living on the edge of a national forest in the West, who wrote the government asking permission to use as fuel some discarded ties, cut by one of the railways, and lying rotting in the park. If he couldn't get the ties he'd go cold that winter, said the farmer.

After passing through no less than 58 hands the request finally came to the Secretary of the Interior who replied that he could not give permission to the farmer to use the ties but that if he hadn't any fire in his stove to go ahead and burn up the ties as it was unlikely that anyone would ever know anything about it.

When the secretary told Mr. Thorpe about the letter, Mr. Thorpe remarked, "Well, I guess he was warm that winter after all."

"Oh, no," replied the secretary, who apparently had a sense of humor, "he wasn't warm that winter. It was the next winter."

We have a little bureaucracy in Canada but we doubt if any one could find a letter that passed through 58 hands before it reached someone who would show enough initiative to answer it sensibly.

Then there was the case of the engineer at work on a reclamation project on the Mexican border. The camp buildings caught fire and he called up a group of Mexican loafers to help put it out. Before going to work they demanded a dollar apiece, which the desperate engineer promised them. When the fire was out he gave each Mexican a dollar extracted from each one an affidavit and receipt in sextuplicate, as required by Washington for all receipts.

Six months later he received from Washington a letter saying that the $28 could not be refunded to him as he had not complied with the regulations requiring him to call for public tenders for all service work before letting a contract.

As Others See Us

Where, Oh, Where?

St. Catharines Standard. — The Financial Post this week advocates for chairman of the board of czarist trustees of the Canadian Nationals to take the railways out of politics, the appointment of a superman. It recommends: "Mr. Bennett must find a man still in the prime of life, with the relentless financial genius of Sir Herbert Holt, the intellectual statesmanship of Sir Joseph Flavelle, the working knowledge of Canada of E. W. Beatty and the political courage of Mr. Bennett himself." Perhaps it would be well to have Gabriel sound his trumpet There might be such a man found among the hosts. Where is there a living Canadian with the combined qualities of the four men named?

Other People's Views

Missionary's Tribute to H. B. C.

Rev. Edward O'Brien—Missionary to the Indians—reported in St. John's Daily News, Nfld.—Labrador is much in the public news these days. The future disposition of this wealthy territory is a matter for wise legislation. It is most certainly an enormous asset to Newfoundland and may some day prove to be the panacea for most of our ills. Let us hope that it will not be bartered without wise counsel and serious investigation of its resources . . . .

And this brings me to the greatest adventurers of them all. Gentlemen of England trading into Hudson's Bay since the days of Prince Rupert himself. Traders and tourists and travellers of all kinds come and go. They shoot their criticisms at the past, and question prices and methods of the present, but the Great Company still carries on under its privileged ensign, displaying the white initials H. B. C. Hudson's Bay Co., name to conjure with, company of great men past and present, doing business in the outposts of Empire under a great motto "Pro pelle Cutem"—"A skin for a skin." in other words, fair trading.

Labrador without the Hudson's Bay Co. would be a sorry place for many a native. Who can measure the inestimable comforts brought by its industries of fur and cod and salmon and seal? Of recent years, its cold storage system alone has brought incalculable prosperity to otherwise impoverished settlements. While today dividends suffer from depression, yet the Governor and Gentlemen Adventurers have faith in the future. A few days ago, I read how the Governor and staff entertained in London the Rhodes Scholars of Canada and Newfoundland, for the company has big interests in these parts. I hold no brief for this big business, but it is refreshing to know, that the company has our country's interest at heart. And it offends me to the soul when I hear cheap criticism of the prices of the company's wares in a country far off the beaten track, where tonnage and freights and insurance and upkeep must necessarily be abnormally high.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

SERIOUS HOOVER

PRESIDENT Hoover's opening speech at Des Moines, broadcast over dozens of stations, was a dignified, scholarly effort without a single trait of emotional appeal to an imaginative electorate. It was not a stirring opening for a campaign that recognizedly must be powerful and dramatic to save the White House for the Republicans.

Most remarkable was the manner in which the Democrats stole the headlines the morning after Hoover's speech. Al. Smith shook hands with Roosevelt at Albany which made a better story than anything Hoover said and got the "play" in many papers. Some Republican campaign manager blundered when he put Hoover up to make his first speech on the same day that the New York Republicans and Democrats were meeting to choose their candidate for governor. Attention in the East, which should have been focused on Hoover was scattered.

A FEW weeks ago betting on Hoover was 7 to 6 in New York. Current odds are 2 to 1 on Roosevelt. The current break in wheat and some other commodities and in stocks is obviously a bad thing for the Republican campaign. It may or may not be significant that the decline in stocks started the morning after Hoover's speech in Des Moines. He said nothing very radical but Wall Street interpreted the address as a weak campaign effort.

Roosevelt has been veering from reactionary to radical views, depending on his audience. Important financial interests in the States are not afraid of Roosevelt. They give him credit for a good deal of economic sense. They prefer not to have him elected but they are not seriously worried about what he may do. The break in Wall Street exaggerates whatever fear Wall Street has of the New York governor.

Holding of Prior Rights Bar to Sale of Labrador

From the St. John Daily News, Newfoundland

Sale of Labrador is often referred to in conversations on the street as the way out of our financial difficulties. Unthinkingly this sale is discussed as though Labrador was one inviolate parcel of land of 110,000 square miles extent, which we could put on the market and dispose of to any buyer, within the Empire, if only we secured a satisfactory price.

What the average man fails to realize is that Labrador is not an inviolate territory for Newfoundland to sell. There are existing rights of long standing to be considered first—rights which are no longer Newfoundland's to sell, since she long ago parted with them at a price. Consider some of them in detail.

First, there exist licenses, one of which became historic this year when the Privy Council upheld its validity, reversing a decision of the local Supreme Court. South of and around Hamilton Inlet on what is sometimes called the "kidney cut" of the timbered part of Labrador, are limits held approximating in area 11,000 to 12,000 square miles, or over a tenth of the total of our Labrador territory, and north of Hamilton Inlet it is generally known the timber line fades into barrenness. Some of these licenses date back to the historic Dickie case which precipitated the appeal to the Privy Council and the subsequent award in favor of Newfoundland of Labrador territory.

These licenses are held to be subsisting through the recent judgment of the Privy Council in the Jardine test case. In that case, it will be recalled, the late Government, because of non-performance of conditions, refused to accept rentals tendered for these licenses and issued writs of cancellation. The case was heard before the full bench of the Newfoundland Supreme Court who unanimously unheld the Government, but subsequent appeal to the Privy Council resulted in reversal of the Supreme Court verdict, and upheld the validity of the license. As an echo of this the new Government are now demanding the rentals outstanding which approximate $80,000, on the various limits affected.

The waterpowers are not all ours either. For instance those of the Muskrat Falls, not far from the mouth of the Hamilton River, far below the famous Grand Falls, and capable of developing some 500,000 or more horsepower, were licensed a score of years ago and are held under 99 year lease.

In addition to these rights are those of the Moravian Mission (Unitas Fratum) who hold title dating back 150 years to approximately 800 square miles in fee simple. As the Hudson's Bay Company not long ago took over the Moravian trading posts it may be presumed they acquired these rights as well.

Besides there are many square miles of mining locations held on old titles by various owners; the surface rights of some 1,500 or 2,000 squatters on Labrador, and the surface rights of fishing rooms many of which, in both cases, are now good against the crown, having been held for over sixty years.

In any sale of Labrador en bloc it would be necessary first to compensate all these people for their titles. Thus it can be seen that, while the sale of Labrador may be possible, it is not a simple matter like selling a cow or a piece of real estate free from encumbrances.

Industry in Manitoba

Of the three Prairie Provinces, Manitoba is the most highly industrialized. In 1930 establishments reporting to the census of industry numbered 937. These plants reported a capital investment of $188,413,164, furnishing employment to 26,488 persons. The value of products on a factory basis was $142,424,990.

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Business Conditions in Canada

The Week in Business

Is Business Recovery Under Way?

Heavy Industries Seen as Backbone

THE acute crisis of April to July lies behind us. Definite evidence that the world is yet emerging from its depression is not at hand. Is this a period of reprieve or one in which a sound base for substantial recovery is in process of formation?

These are not our own words but they so aptly sum up the major consideration which faces the trade and commerce of the world at the present time, that we make no apologies for using them. They are the opening sentences of an address given before the American Life Convention last week at Toronto by Dr. A. J. Hettinger, Jr., of Investment Research Corp., Detroit, who gave a brilliant and clear cut analysis of the world's business and financial problems to delegates at that meeting.

Two big questions which Dr. Hettinger attempted to answer in his discussion were as follows: "Will the world be forced to experience a recurrence of another crisis comparable to that of last April to July? Can we look forward to improving business or must further distintegration of the economic structure be deemed likely?

* * *

AS TO the first of these questions he stated his belief that another acute financial crisis was possible but not probable. On the good side of the ledger he noted a vast improvement in business sentiment; the probability that visible supplies of raw materials in the world were no longer increasing and on the whole showed slight decreases; a narrower spread in the prices of basic raw materials and prices of other commodities; gradual flattening in the downward trend of production curves of leading world countries; better distribution in the world's supply of gold; appreciable easing in money rates in leading financial centres; facing of budget problems with varying degree of courage and a net balance of actual progress.

On the debit side, however, he noted definite signs of danger still existing such as the fact that Eastern Europe is far from resting on a sound basis of political, financial and economic stability; that few budgets, least of all the United States, were in strict balance and that continuance or worsening of this situation bore germs of inflation; that a disproportionate amount of national income was being spent on costs of government; that many currencies are pegged artificially only through extreme regulations which throttle international trade, and so forth.

Summing up he says a reprieve has been given that is likely to carry on for some time, that it is essential for leaders of nations to recognize that sound statesmanship is becoming good politics, and that if to these things can be added an improvement in business within a reasonable length of time, the odds are strongly that the crisis is passed.

* * *

ANSWERING the question "Will business improve?" this economist notes that from a world viewpoint there are three problems—political as much as economic, whose solution, if even partial, would be of inestimable value, namely: relief to national budgets through a reduction in armaments; a sound basis for a better European situation through the consumption of work begun at Lausanne; and effective measures to free the world from the multitudinous artificial restraints on international trade now in force. There is a vicious circle of low employment producing low purchasing power; low purchasing power, a minimum demand for goods and services which in turn brings us back to low employment, he says and recovery calls for cutting through this sequence. This can only be done gradually and at such time as the groundwork (confidence and easy money) has been established.

The outlook for business as he sees it is as follows:

"Gains such as those now present in the consumer industries can be helpful in providing the initial push, but the heavy industries, particularly the construction industry, are the backbone of recovery.

"Business volumes this autumn will most likely show a full seasonal, and possible moderately more than seasonal gain thanks primarily to the consumer industries. Improvements depending on foreign trade will be slow because of the political difficulties. Gains in the heavy industries will be slow awaiting a bond market strong enough so that companies of good standing can borrow long time money cheaply enough to warrant expansion of a character that will put men to work in this type of industry; operations in this field, however, are probably about as low as will be encountered. Difficulties in handling public relief, possible labor unrest and difficulties in maintaining the public credit are to be anticipated this winter. There is unfortunately the possibility of disturbing news from any part of the world and some is almost bound to occur.

"If the hypothesis that the crisis is past proves sound, bond prices should advance further, though poor corporate earnings may prove a retarding influence on second and third grade issues. Increased offerings of bonds, the proceeds of which should be available for constructive purposes and actually put men to work in the heavy industries is a distinct possibility by spring. This should lead to an upward turn in residential construction and the automobile industry with increased steel production. Corporate profits should be lifting definitely, on the above assumptions, by the middle of spring."

"The conclusion of this discussion then—giving hostages to the gods for the presence of many unsolved problems and threats which may vitiate it—is that we are in the last stages of the depression, that groundwork is being, and in part has already been, established for improving business, and that there is reasonable hope that next spring will find recovery under way."

New Manufactures in Manitoba

Encouraging progress is being shown in the development of new products by Manitoba manufacturers. Among the articles recently added to the "Made-in-Manitoba" list are incubators, hand lotions, helmets, fancy caps, grain cleaners, artificial stone, wrought iron work, anti-freeze, cosmetics, confectionery, biscuit, flour and refrigerators.

Auto Base Price May Be Broken By New Model

Rumors which have been prevalent in Detroit that the present base price for automobiles will be lowered before the end of the year by at least one manufacturer may be substantiated within the next week when announcement of specifications and price are made of a new car to be manufactured by Continental Motors Corp. of Detroit. This car is rumored to be a four cylinder job which will be the lowest priced car in America with the exception of "baby" cars.

Dominion Motors, which recently obtained Canadian rights for the new Continental-DeVaux motor and which they will install in their present line of Frontenacs, have also received Canadian rights for the manufacture and distribution of this new Continental product.

Continental Motors Corp. is not yet ready to announce particulars or name of the new car, according to Roy D. Kerby, president of Dominion Motors, and therefore the Canadian company cannot release the information which they have. All that can be ascertained is that the new car will definitely be in the lowest-price field. Mr. Kerby stated that he expected that particulars will be available in a week or so.

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Silver Fox Growers Find Encouragement in Outlook

Fewer Quantities of Pelts Hang Over from Last Year—Prices Rising—New Marketings Expected to be Lower

A highly improved outlook for the 1932-33 season in the silver fox pelt industry is seen from reports given to The Financial Post by those closely in touch with this industry. Not only does the end of the old season find very much smaller quantities of silver fox pelts available than at this time last year, but there is strong evidence that pelts marketed during the coming season will be probably one-third less than last year. Prices have been steadily rising since the abnormally low levels at which the market opened in 1931.

As to the price situation it will be recalled that in the eighteen-month period prior to March, 1932, prices for silver fox pelts marketed in Europe and America through regular auction sales channels were on the decline. In the 1930-31 season approximately 200,000 pelts were marketed through these channels and during the entire season prices were on the decline with an estimated reduction for the season of approximately 40 per cent.

Panic at 1931 Opening

In the 1931-32 season roughly 300,000 pelts were marketed in the same manner to which was added many thousands of pelts purchased from ranchers by dealers in various sections of the country. At the opening of the market there appeared almost a panic on the part of ranchers anxious to dispose of their pelts. This was in part due to the pressure of economic conditions which forced most ranchers to dispose of at least a portion of their pelts at any available cash price in order to meet their obligations. Accordingly prices on the first option sales of the year declined approximately 25 per cent below the last sales of the previous season.

It was not until after mid-winter sales held during the last days of February that any improvement was shown in the market but from about the middle of March conditions started to improve as the sales companies began to dispose of pelts by private sale. At the auction sales held in London early in May, advances were reported over mid-winter prices ranging from 25 to 50 per cent.

P. E. I. Pool Benefits

A typical example of this situation is indicated in the experience of the Prince Edward Island Fur Pool Limited which bid some 4,000 pelts at the mid-winter sales due to lack of satisfactory prices. At least 90 per cent of these were sold in the May auction sales at an average advance of about 35 per cent over the buy-back prices in February.

Since the May auction sales, according to P. G. Clark of the P. E. I. Fur Pool, it would appear that conditions have continued to improve and notwithstanding the fact that price limits were raised after the May sales to the extent of approximately 10 per cent, extensive sales have been made by the option companies by private treaty at prices considerably in excess of the revised limit. "At the end of the season," he says, "we find considerably less quantities of silver fox pelts available than at this time last year."

Offerings Compared

The following comparative figures show the extent of offerings of the principal sale houses in London and Montreal for September:

	1931	1932
C. F. A. S., Montreal	993	320
Lampson & Co., London, Eng.	1,273	986
Huth & Co., London, Eng. ..	2,300	706
Hudson Bay Co., London, Eng.	2,300	2,800
	6,866	4,812

It should be mentioned in regard to the above table that the Hudson's Bay Company offering is chiefly of northern wild skins which annually arrive too late to be offered at the spring sales and consequently a regular feature of the autumn sales. Offering of the other houses represent some ranched foxes still remaining unsold, to be offered in the last sale of the season. The sales this season are being held approximately 10 weeks before any skins of the present season's take-off are put on the market.

Already the Canadian fur auction sales at Montreal have taken place and the 320 pelts offered there were sold at an advance of 20 per cent over prices realized on June sales.

As to the outlook for 1932-33, Mr. Clark says:

"Regarding the quantities to be marketed this next season, it is quite unlikely that the 1930-31 figures will be reached, as last season witnessed a tremendous slaughter of breeding animals in addition to the pups produced that season, not only in cases where ranches were entirely closed out, but also where ranchers were obliged for one reason or another to reduce their breeding stock. From several sources of information, we are firmly convinced that a reduction of at least one-third below last season may be expected, and with the continued strong demand, still firmer prices may be reasonably expected."

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Oct. 8	Previous week	Last year
Cattle (cwt.) .. (Toronto)	$5.00	$5.40	$6.25
Copper, lb.	.06¼	.06¼	.07
Cotton, lb.	.0665	.0705	.0595
Rubber, lb.	.0340	.0375	.0488
Silk, lb.	1.75	1.85	2.32½
Sugar, raw, lb. .	.0316	.0316	.0345
Wheat (Man.), bu.	.48¼	.49¼	.55⅛
Hides, lb.	.08	.08½	.07½
Coffee, lb.	.08¾	.09¾	.05¼
Weekly Indices *			
N. Y. Annalist ..	93.1	93.9	99.9
Fisher's	61.8	62.2	72.6†
N. Y. Journal of Comm.	58.4	59.0	64.9
Crumps (Brit.)..	63.7	64.2	64.9†

* N. Y. Annalist base, 1913; others 1926.
† Average, 1931.

Monthly Indices

Canada (D.B.S.)	Latest	Prev. month	Last year
W'lesale (Sep.)	66.9	66.8	69.8
Retail (Aug.)	81.5	80.8	89.1
U. S. Labor (August)	65.2	64.5	72.1
Gr. Brit. (Aug.)	67.2	66.1	67.2

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15, New York; sugar—96 degree centrifugal c/f, New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio. No. 7, spot, New York.

SMALL SEPT. GAIN WHOLESALE PRICES

Five Groups Higher Than in August and Three Lower

Wholesale prices were slightly higher in September than in the previous month, according to the index number compilation of the Dominion Bureau of Statistics. On the base 1926 equals 100, the index number rose fractionally from 66.8 in August to 66.9 in September. One hundred and eleven quotations were higher, 90 were lower and 301 remained unchanged.

Five groups recorded increases and three decreases. The chief increase was in the animals and their products group from 58.9 to 60.7 while non-ferrous metals were also considerably higher at 58.9 compared with 57.3 in August. The greatest drop was in the vegetables and products group which fell from 55.1 to 53.5 on lower prices for almost all products.

Changes in the price index numbers are:

Wholesale Price Indices

	Sept.	Aug.	Change
Vegetable	53.5	55.1	—1.6
Animal	60.7	58.9	+1.8
Fibres	70.0	69.3	+0.7
Wood	71.5	71.1	+0.4
Iron	85.9	86.1	—0.2
Non-ferrous metals	58.9	57.3	+1.6
Non-metallic min.	86.1	85.9	+0.2
Chemicals	82.8	82.9	—0.1

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Oct. 1)	51,833	50,587	1,625,157	1,888,587
C.P.R. gross earn. (Sept. 30)	$ 4,760,000	$ 3,852,000	$ 91,101,000	$ 107,983,000
C.N.R. gross earn. (Sept. 30)	$ 5,233,727	$ 4,627,021	$ 107,226,981	$ 132,552,934
	Monthly			
C.P.R. net earn (Aug.)	$ 697,206	$ 1,152,721	$ 6,808,793	$ 9,692,312
C.N.R. net earn. (Aug.)	$ 209,175	$ 514,034	$ 3,871,283	$ 2,178,688
Iron and Steel—				
Pig iron, tons (August) ..	5,992	23,212	90,510	362,737
Steel, tons (August)	26,710	52,491	234,704	559,465
Automobiles prod. No. (Aug.)	4,067	4,544	51,208	74,849
" exports, No. (Aug.)	1,566	797	6,225	12,257
Construction—				
Building Permits (Aug.) ..	$ 3,331,278	$ 8,201,879	$ 30,137,519	$ 78,194,996
Contracts (August)	$ 12,688,500	$ 26,142,600	$ 99,989,800	$ 217,134,900
Newsprint—				
Production, tons (Aug.) ...	157,919	165,124	1,293,947	1,460,650
Exports, tons (Aug.)	152,760	160,175	1,217,986	1,343,052
Sugar—				
Imports, raw, lbs. (Aug.) ..	98,885,200	98,401,300	520,013,000	540,008,000
Melt. & ship., lbs.*	82,116,218	88,920,024	569,162,759	603,009,163
Manufactured, lbs..	81,916,973	89,406,199	550,000,815	578,124,071
Flour—				
Production, bbls. (July)	1,201,965	1,319,008	7,134,414	7,967,781
Wheat flour exp., bbls. (Aug.)	330,382	522,178	3,148,987	3,654,403
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Aug.) ..	53.60	93.19	499.51	644.78
Boots & shoes, pr. (Aug.) ..	1,708,359	1,627,006	12,217,428	12,062,805
Petroleum, imp. crude, gal. (August)	89,776,589	106,065,392	644,965,555	668,538,344
Cotton, imp., raw, lbs. (August)	5,995,000	4,754,000	56,579,000	55,335,000
Rubber, raw, imp., lbs. (Aug.)	2,173,019	5,160,225	32,269,945	41,381,008
Coal, imports, tons (Aug.) ..	1,198,210	1,488,880	6,643,542	8,099,315
Gasoline sales, gals. (Apr.)	35,377,000	39,215,000	114,925,000	118,810,000
Trade—				
Imports (August)	$ 36,527,262	$ 47,308,079	$ 314,285,344	$ 449,585,908
Exports (August)	$ 41,314,120	$ 48,763,652	$ 306,543,115	$ 390,064,275
Wheat exports, bus. (Sept.)	26,874,237	14,335,637	132,990,365	126,192,271
Labor—				
Employment Index (Sept.)..	86.0	107.1	......	......
Electric Power—Output—				
M. Kilowatt hours (Aug.) ..	1,231,013	1,256,149	10,335,016	10,819,441
Finance—				
Failures, No (July)	175	152	1,412	1,261
Failures, Liabilities (July)	$ 2,986,840	$ 2,511,041	$ 24,208,290	$ 25,364,054
Bank debits† (Aug.)	$ 2,116,000	$ 2,243,000	$ 16,828,824	$ 21,068,548
Bond sales (Aug.)	$ 8,738,523	$ 2,001,639	$ 197,713,411	$ 335,872,850
Insurance sales (August) .	$ 28,370,000	$ 35,738,000	$ 281,372,000	$ 337,217,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,844,938	$ 16,191,101
New cars (August)	$ 1,022,043	$ 1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Aug. 20 to Sept. 10.
†(000's omitted). ‡Deficit.

Better Feeling Presages Upturn Says Merle Thorpe

"Have we turned the corner in this depression?"

Here is the answer given to members of the American Life Convention in convention at Toronto last week by Merle Thorpe, well-known editor of "Nation's Business," official publication of the United Chamber of Commerce:

"For the first time in three years of depression a hopeful sign has appeared. From every section there are reports that there is a 'better feeling.' Such sentiment must precede business activity. Professorial pessimists are saying that there is no basis for such sentiment, that earnings are still off. They would have business activity precede better sentiment, which, of course, is foolish. In every depression the up-turn has been anticipated by this better sentiment we observe today, which translated means confidence and faith in the future, which in turn means a return to normal chance-taking, normal buying and selling.

"We complain because there is no leadership. We say that political leadership has failed, and that industrial leadership has failed to get us out of our troubles, and some advocate a change in our industrial system. Capitalism has failed, they say. But what great plan of politician or industrial captain brought us out of other depressions? History, I have diligently searched its pages, chronicles no such panacea. The reason is that in a democracy the leadership is at the grass-roots and cross-roads, and, today, as in the past, quietly and unheralded, in the offices and plants of two and a half million businesses not listed on the New York Stock Exchange, adjustments are taking place, expenses are brought within income, and plans are made for the immediate future.

"For three years fear has been in the saddle. That fear is evaporating. In its place is appearing some of the old-time courage and resourcefulness which has made America the envy and despair of the older nations. Soon the two great wheels of production and consumption will be thrown fully into mesh again, and the country will move forward as in the past to higher and higher standards of living, which after all, is simply, more and more things for more and more people."

POTATO CROP DOWN 20 P. C. IS ESTIMATE

Sugar Beets, Alfalfa and Turnips Expected to Gain in '32

Higher yield of sugar beets, alfalfa and turnips and lower production of potatoes and fodder corn is indicated in a preliminary estimate of yield of root and fodder crops issued by the Dominion Bureau of Statistics this week.

The total Canadian potato crop will show a decline of 20 per cent it is estimated as compared with 1931, total production being placed at about 41,745,000 cwt. as compared with 52,305,000 cwt. a year ago. Area sown in potatoes this year is placed at 539,700 acres as compared with 583,926 acres last year. Average yield per acre is down sharply from 90 cwt. to 77 cwt. British Columbia, Nova Scotia and Saskatchewan alone show an improved yield per acre.

The summer season in the Maritimes and eastern Canada was rather unfavorable but the main damage was caused by blight and rot in the fall. Summer drought reduced yields in the south-central areas of the Prairie Provinces but precipitation was more ample and production higher in the park belt. In British Columbia, the growing and harvest season was generally favorable.

Good Sugar Beet Crop

Sugar beets are estimated to have yielded 450,000 tons from 45,000 acres, or 10 tons per acre in 1932, as compared with 454,000 tons from 49,997 acres, or 9.08 tons per acre in 1931, and 436,800 tons from 47,670 acres, or 9.16 tons per acre, the five-year average.

Estimated Yield of Root and Fodder Crops, 1932

	acres	per acre cwt.	cwt.
Potatoes ...	539,700	77.0	41,745,000
Turnips, etc.	167,900	196.0	32,973,000
		tons	tons
Sugar beets	45,000	10.00	450,000
Fodder corn	360,500	7.80	2,812,000
Alfalfa	663,600	2.88	1,909,000

Business Briefs

Car Loadings for the week ended October 1 amounted to 51,813 cars, a decrease of 102 cars from the previous week but 1,226 cars more than in the same week of 1931 when loadings were extremely low. An increase of 9,858 cars in grain loadings over a year ago is responsible for the increase.

Lumber Mills on the Pacific Coast operated at 19.7 per cent of capacity during the week ended Sept. 10, compared with 20.5 per cent in the previous week and 28.5 per cent a year ago, according to reports on 322 mills by West Coast Lumbermen's Association. During the week 203 of these plants were reported down and 119 operating.

Fish Landings in the Maritime Provinces during August amounted to 37,120,300 lbs. having a landed value of $444,022, as compared with nearly 50,000,000 lbs. having a landed value of $782,466 in August, 1931.

Wheat Stocks showed a further increase on Sept. 30, there being 198,168,126 bu. reported compared with 175,673,470 bu. at the close of the previous week. Stocks in the corresponding week of 1931 were 126,461,896 bu.

Wheat Exports for the week ended Sept. 30 were 7,218,320 bu., the largest recorded this year or last. In the same week last year just over 3 million bushels were exported. Montreal, Vancouver and Sorel handled the bulk of the total, with Montreal having over three and a half million bushels and Vancouver and Sorel over a million each.

Leather Footwear Production in August amounted to 1,708,359 pairs, a seasonal increase of 320,000 pairs over the previous month and 80,000 pairs greater than in the same month of 1931. For the year to date production totals 12,217,428 pairs compared with 12,062,805 pairs in the same period of 1931.

Coffee Surplus of World But 40 Months' U. S. Supply

An article headed "Surplus Commodity Stocks Make Gargantuan Pile" which appeared on this page in last week's Financial Post, contained an unfortunate error in that in comparing total world supplies of coffee to average United States consumption, the word "yearly" was used in place of "monthly."

Total world stocks of coffee as indicated in the article, reached a peak in January, 1932, of 37,260,000 bags which is equivalent to about 40 months coffee supply in the United States, not forty years as stated.

DOMINION GAINING IN WHEAT, LUMBER AND APPLE EXPORT

Products of Farm and Forest Moving Rapidly to Empire Markets

Big shipments for export of Canadian lumber, wheat and apples from Canadian ports during the past few weeks make good reading for Canadian farmers and business men.

For the nine-week period ending September 30, over 45,000,000 bushels of Canadian wheat have left Canada—half of it through Montreal—which compares with only 26,200,000 bushels exported in the same period a year ago. This is an increase of over 70 per cent and becomes vastly more significant when it is realized that in the same period, total world shipments of wheat and wheat flour declined over 40 per cent from the same period in 1931.

In other words whereas last year exports of Canadian wheat amounted to only 15 per cent of total world shipments of wheat and flour in this period, our exports to date this year have reached 45 per cent of the world figure.

Another important gain is being made in lumber. Shipments from British Columbia in the first eight months of the year have totalled 69,000,000 feet, constituting an all-time record. On this basis, shipments from British Columbia will exceed 100,000,000 feet this year it is believed, eclipsing the 1930 record of 98,057,600 feet.

The gains are being made at the expense of Oregon and Washington exporters, it is said, for British Columbia is this year supplying 60 per cent of the lumber shipped from the Pacific North West, representing an advance of about 36 per cent over 1931 when it supplied only one-quarter.

Still another good export gain is being made in apples. Up till October 1, apple shipments from Port of Montreal have totalled 260,948 boxes and 29,118 barrels as compared with 169,000 boxes and 34,000 barrels a year ago. Reduced to a common denominator this is an increase of 77,000 boxes or nearly 29 per cent. Only last week the Anchor Donaldson liner Letitia sailed with a cargo of 48,260 boxes and 5,068 barrels for Glasgow. This is the largest shipment of apples in the last two years. The shipping editor of the Montreal Gazette has estimated that the Letitia has in her hold something like 11,106,200 apples which means at least one apple for every man woman and child in Canada—with a few hundred thousand over, at that.

ADJUSTED DEBITS GAIN IN AUGUST

Western Provinces Show Big Gain in Bank Debits Over July

Bank debits amounted to $2,116,000,000 in August, a gain of 4.3 per cent over the preceding month after seasonal adjustment by the Dominion Bureau of Statistics but .5 per cent less than in August, 1931. The largest gains were recorded in the western areas.

Total debits in the Prairie Provinces were $406,482,000, compared with $387,800 in July, a gain of 15.8 per cent after seasonal adjustment. Compared with August, 1931, the gain was $22,557,000, or 5.8 per cent.

British Columbia recorded a 15 per cent gain over July but was less than in August a year ago. Debits in Ontario and the Maritime Provinces showed declines of 2.6 and 3.6 per cent respectively from July and were also lower than in August, 1931. The gain in Quebec after seasonal adjustment was 3.5 per cent but the August total was 14.3 per cent less than the total in the same month of 1931.

Bank Debits to Individual Accounts

	August, 1932 $	August, 1931 $
Halifax	20,325,981	26,024,414
Moncton	5,554,296	5,861,475
Saint John	15,947,907	17,482,418
Total—Maritimes	41,828,184	49,368,307
Montreal	592,553,062	680,552,490
Quebec	43,076,662	60,814,297
Sherbrooke	5,774,039	7,086,333
Total—Quebec ..	641,403,763	748,453,120
Brantford	6,213,446	7,749,585
Chatham	4,806,496	5,184,259
Fort William ...	4,633,602	5,419,648
Hamilton	43,226,631	48,019,126
Kingston	4,171,329	4,663,654
Kitchener	6,880,379	8,557,820
London	23,283,353	25,406,240
Ottawa	124,388,352	120,492,164
Peterborough ...	3,939,407	5,341,493
Sarnia	6,842,583	8,651,396
Sudbury	2,873,087	4,583,800
Toronto	644,554,209	650,489,172
Windsor	18,365,226	21,192,896
Total—Ontario .	894,178,100	915,751,253
Brandon	2,657,281	3,005,047
Calgary	37,264,282	42,075,342
Edmonton	30,559,173	36,985,196
Lethbridge	3,260,369	4,509,095
Medicine Hat ...	1,477,864	1,843,600
Moose Jaw	4,438,048	5,088,576
Prince Albert ..	1,590,261	2,122,393
Regina	36,717,133	29,935,232
Saskatoon	9,728,027	11,952,266
Winnipeg	278,789,321	246,407,993
Total—Prairies .	406,481,759	383,924,740
New Westminster	4,209,073	5,025,294
Vancouver	105,082,435	116,454,280
Victoria	22,491,589	24,584,476
Total—B.C.	131,783,097	146,064,050
Canada	2,115,674,903	2,243,561,470

Ample Storage Seen for Canadian Crop

Ample storage capacity on Canadian farms for the bumper 1932 harvest is seen by W. Sanford Evans Statistical Service in their current review of the western crop situation. The effect of farmers withholding grain from the market is said to be even yet hardly discernible though the tendency is now becoming more general now that urgent obligations have been met. Up to Oct. 4, 158,031,000 bu. of wheat had been delivered and 13 to 14 million bu. of other grains. Similar figures for a year ago were 64,225,000 bu. of wheat and 10 to 11 million bu. of other grains.

Encouraging figures on the moisture situation are also given. It is reported that average rainfall since April 1 is above normal in each province.

As to storage facilities the report says that estimated total production of prairie province grain is roughly 777,867,000 bu. In 1928 when a total grain crop of 972 million bu. was harvested, at least 543 million bu. remained on farms at the beginning of the winter. This was the highest figure ever reached. Taking the amount of grain left on farms at the end of the last crop year (July 31, 1932) at roughly 30,000,000 bushels and the new crop at 778,000,000 bu. of which roughly 170,000,000 bushels has already been marketed, there is left approximately 600,000,000 bushels at present in prairie farmers' hands. This of course should be materially reduced before the winter begins.

Growers Must Rise To Export Opportunity

Marketing Expert Tells What British Preference Means to Canadian Fruit Growers

By W. B. GORNALL

Chief, Markets Extension Division, Fruit Branch, Ottawa
(An address to National Agricultural Conference, Toronto)

The fruit industry of Canada will be presented with as great an opportunity for expansion promising a fair measure of prosperity as has ever been presented to any one section of agriculture and also the consummation of the hopes and aspirations of apple growers for many years by the tentative agreement between U. K. and Canada, resulting from the Imperial Economic Conference, provided, of course, that such agreement is ratified which no doubt it will be, by the governments concerned.

The ratification of this agreement will present a problem of major importance to the industry; the problem of increased production for export. We have read that the tentative agreement includes a British tariff of 4/6 per cwt. of 112 lbs. on raw apples of non-empire origin, a tariff which equals 5/5 per barrel of 135 lbs. net. To what extent will this specific duty benefit the Canadian grower in its effect portations into the United Kingdom, the principal export outlet for Canadian fruit, from competing non-Empire countries?

Duty is an Embargo

Practically all fruit shipped to the United Kingdom is sold on arrival and therefore the duty will be paid by the foreign exporter. On apples selling at 20/ per barrel the effect of the duty under existing conditions, will amount to practically an embargo. The selling charges, duty and ocean transportation, payable in Great Britain will amount to approximately 11/, leaving 9/ for transmission to New York, which after allowing for exchange, inland freight, barrel, packing and other costs will return 50c. or less to the grower for 135 lbs. of graded fruit. The result is obvious.

To illustrate the possible effect of the tariff, I would quote from the records of the Liverpool market, where during the 1930-31 season 21 per cent of the United States barreled apples, classified as tights, sold at auction for 20/ or less per barrel. There was also a large percentage which sold from 21/ to 25/ which under the proposed tariff would return to the grower very low and unprofitable values.

This condition which is equally applicable to the London, Manchester, Glasgow and other markets, is anticipated to materially reduce imports into the United Kingdom from the United States.

Gap in Box Apple Trade

A similar situation, but perhaps not to quite such a great extent, will exist in the box apple trade. There is not the slightest doubt but that a gap will be created in the imports into the United Kingdom which it is incumbent on the Canadian grower to at least partially fill. How great this gap will be it is difficult to estimate but under present world conditions I would say that a large proportion of the imports from non-empire countries will be affected in greater or less degree.

From this anticipated situation arises the important problem of increased production in Canada.

Must Renovate Orchards

Production cannot be increased at a moment's notice, but by a definite policy of renovation of not too neglected orchards, improved cultural methods on the part of indifferent growers as may be occasioned by more profitable returns, and a definite planting policy of selected varieties over a period of years, the desired results may be obtained.

There is little need to enlarge on this phase of the question of production. I think the necessity will be realized, but progress must be along carefully conceived lines as the policy of today will be reaped not so much by those responsible for the policy but mostly by the succeeding generation.

The problem of production for export does not end with increased yields or the formation of a planting policy. It involves the question of quality against which many factors operate and other problems to which I will briefly refer.

With increased marketing facilities anticipated there is the possibility of certain factors which if permitted to develop will materially injure the extension of trade. Every possible precaution must be taken to maintain the present standards of quality and prevent the export of inferior fruits. The vigilance maintained this past season to prevent inferior fruit reaching the markets of the United Kingdom must not only be continued, but increased, and no measure of control by spraying, orchard survey and inspection should be retarded in the least degree, but rather increased so that a system of control common to all provinces may prevail in the best interests of the whole.

Another related problem concerns the export of ripe fruit. With respect to certain of the earlier varieties of apples, it is estimated that a large proportion is shipped in a full ripe condition, also well conditioned fruit is shipped in ordinary stowage with fruit temperatures 15 to 20 or more degrees too high for delivery in good condition.

Pre-Cooling Essential

To ensure that the greatest possible quantity of fruit is delivered on the British market in the best possible condition whereby it may command the highest possible price, adequate pre-cooling and cold storage facilities are essential. This problem requires very definite study and calls for the establishment of an adequate policy providing for the progressive development of cold storage facilities in the producing areas of the exporting provinces. The problem also suggests a further problem entailing research to ascertain the most economical form of storage plants and economic storage temperatures.

To maintain a reasonably high standard of quality for export means must be provided to utilize the large surplus by conversion into fruit products as canned apples, dehydrated fruit and cider, either cider apples or juice of such a quality as will bring profitable returns. The proposed duty of 4/6 per cwt. of 112 lbs. will be effective against raw apples of all kinds and already enquiries have been received from the United Kingdom for raw fruit suitable for cider purposes. This situation presents great possibilities and profitable development will depend entirely on type and condition of the fruit shipped, economical freight rates, packages, and prevention of injury and depreciation in transit.

I have indicated very briefly the major problems concerning the production of fruit for export with particular reference to apples. The problem does not cease with the crop as harvested, packing, grading, utilization of the large surplus necessary to the maintenance of recognized standards of quality, pre-cooling and cold storage facilities to control the ripening process and enable the crop to be delivered in the best possible condition, the control of disease and insect pests and improved transportation and handling facilities are factors inseparable from the problem.

Montreal Independents Form Strong Group

Department Stores and Chain Units Do Small Proportion of Total Retail Business Compared With Toronto Groups

More than 63 per cent of the retail merchandising of Montreal in 1930 was done by independent stores and over 78 per cent was done by stores other than local, sectional and national chains, according to the preliminary report of the Census of the Retail Merchandising and Service Establishments. Local chains did 4.3 per cent of the total, and sectional and national chains 17.5 per cent. Compared with Toronto, the position of independent stores is much stronger, the Toronto percentages being 59 for independents, 68.7 for all stores other than chains, 4.3 for local chains and 27 for sectional and national chains.

Independents Lead Grocery

In most cities, chain stores have their strongest hold in the grocery field but this is not true in Montreal where grocery chains did only 26.7 per cent of the business. Independent stores in retail buying organizations are strong in the grocery field, however, their total business in 1930 being over $18 millions, or nearly 30 per cent of the total of all grocery stores. Independents were responsible for 36 per cent of the business in this field.

There were 52,601 employees in retail stores in 1930 and they received over $54 millions in salaries and wages. In the food group wages amounted to $11,380,700 to 12,719 empolees and in the general merchandise group to $10,657,800 to 12,095 employees.

Department store sales comprise a very much smaller portion of total sales in Montreal than in Toronto. In the former city, sales of these stores amounted to only $55,570,000, or 13.5 per cent of all sales, while in Toronto department and general store sales totalled $112,599,000, or 30.4 per cent of total sales.

SUMMARY OF PRINCIPAL RETAIL MERCHANDISING GROUP IN MONTREAL, 1930

	Stores	Employees	Pay-roll $	Sales† $	Stocks $
Automotive	657	3,873	5,267,700	40,402,300	3,852,000
Food	6,413	12,719	11,380,700	120,199,600	8,107,700
General merchandise	645	12,095	10,657,800	71,819,100	13,809,000
Apparel	1,614	5,638	6,155,600	40,104,100	10,692,300
Lumber	389	2,062	2,691,400	18,570,300	5,047,000
Furniture	206	1,215	1,738,900	11,452,300	3,081,200
Restaurant	654	4,340	3,915,300	16,270,900	445,300
All other stores	2,460	10,659	12,602,500	91,775,600	15,598,400
Total	13,038	52,601	54,409,900	‡410,594,200	60,582,900

† Including $2,066,700 service receipts.
‡ Add $4,270,700 retail sales by wholesalers.

SUMMARY OF PRINCIPAL RETAIL SERVICE GROUPS IN MONTREAL, 1930

	Number	Employees*	Pay-roll $	Sales† $	Stocks $
Amusements	248	2,070	2,196,600	9,183,700	35,300
Business services	12	106	128,700	305,200	900
Cartage and storage	116	1,778	2,177,400	4,940,500	2,100
Domestic service	904	3,791	3,581,400	9,259,500	99,200
Educational service	35	89	97,200	298,700	38,000
Personal services	1,324	1,862	1,608,900	4,214,700	95,100
Photography	94	328	415,600	1,647,700	79,400
Repair	1,108	1,286	1,278,100	4,303,400	272,200
Transportation	82	516	6,321	1,630,900	800
All other	244	1,321	1,975,200	8,458,700	130,400
Total	4,167	13,097	14,091,200	44,233,000	753,400

* See above.
† Including $1,224,700 merchandise sales.

INSPECTION URGED OF PRIVATE HOMES BY ERNEST LAVIGNE

Quebec Fire Marshal Deplores Wanton Carelessness of Present Day

Advocacy of proper inspection of dwellings by competent municipal officials is urged by Ernest Lavigne, president of the Association of Canadian Fire Marshals and Fire Marshal for Quebec province.

Commenting on the wanton destruction of national wealth caused by neglect and carelessness, Mr. Lavigne says:

"Every year much literature is issued about fire prevention and publicity of all kinds is lavishly used in exposing the dangers and the loss of life and property due to dwelling house fires. In spite of that, in spite of all the precautionary measures that we have been advocating, the number of fires due to neglect and carelessness has been on the increase, with a total loss which is mounting without any real prospect of halting this onward march of wanton destruction of our national wealth.

"Publicity is a splendid way of gaining the attention of the public, but inspection, proper inspection of our dwellings by competent municipal officials is, I firmly believe, the most efficient way of obtaining lasting and beneficial results.

"The time has come when we must have the courage to recognize and to face the fact that we have failed to keep our national fire waste down! As valuable as all our precautionary plans are, we must no longer close our eyes to the necessity of doing something far more than we have done. We must be able to put fires out. Extinguish them. Control them. For facts and figures tell undeniably that we have not been able to prevent them."

SHOE PRODUCTION SLIGHTLY LOWER JUNE AND JULY

Figures for First Months of Agnew-Surpass Fiscal Year

From Our Own Correspondent

MONTREAL.—Moderate decline in production of boots and shoes in Canada during June and July reflects favorably on the position of Agnew-Surpass Shoe Stores whose fiscal year began on June 1. In the first two months of the company's fiscal year total Canadian output of boots and shoes was 2,603,476 pairs compared with 2,758,679 pairs in June and July, 1931. The decline of 155,203 pairs is slightly over 5 per cent.

Shoe production has been relatively well maintained in Canada in the past two years and sales of Agnew-Surpass Shoe Stores have only dropped slightly. In the fiscal year ended May 31, 1932, sales were valued at $2,375,989, a drop of 14 per cent from the previous year. The decline, however, was largely due to lower selling values.

Earned Preferred Needs

Earnings were down $60,000 at $134,494 and after depreciation and taxes net profit of $87,812 was sufficient to cover preferred dividend requirements of $68,215 and leave a balance equal to 24 cents a share on the common stock. This compared with common share earnings of 97 cents a share in the previous year.

During last year there were redeemed $3,000 of 7 per cent preferred leaving $974,500 outstanding; indications are that additional shares will be redeemed this year. The company operates 55 retail shoe stores in Ontario, Quebec and the Maritime Provinces.

TOBACCO FIGURES REVEAL WEAKNESS

Cigarettes Entered for Consumption Continue to Decline

From Our Own Correspondent

MONTREAL.—Number of cigarettes entered for consumption in August continued to exhibit weakness which has featured these figures during the current year. During the month there were entered 329,466,364 cigarettes compared with 425,138,580 in the same month last year; each month of 1932 has revealed a decrease when compared with the same period of 1931.

Cut tobacco, on the other hand, continued to show improvement, which tends to offset the tobacco companies' losses in cigarettes. In August there were marketed 1,559,663 pounds of cut tobacco against 1,449,103 pounds in August last year. With one exception increases have been recorded in monthly comparisons during the current year.

Cigars Slightly Improved

Cigars entered for consumption, which have shown sharp declines since the beginning of the year tended to firm up in August, a figure of 12,298,501 comparing with 12,860,616 for the same month last year. Cumulative figures for the first eight months, however, approximate 82,600,000 cigars compared with 92,000,000 in the first eight months of 1931.

Raymond Sugar Plant Active

The beet sugar plant of Canadian Sugar Factories at Raymond has been running now for some weeks—equipped, this year, with additional new machinery costing about a quarter of a million dollars. The factory employs some 250 men and will run for about a hundred days. The tonnage of beets is the highest yet recorded, factory officials declare.

Manchester Ship Canal Charges Tolls, Pays Way

While Canada Grants Free Passage Through Its Canal to Boats of All Nations, Manchester Seaway Charges Tolls and Costs Taxpayers Nothing

While in Canada canals are operated without tolls and entirely at the expense of the taxpayers, the important canals of other countries are made to pay their way.

The most important canal in the United Kingdom is the Manchester Ship Canal. This canal links the important industrial city of Manchester with the sea. It has a length of 35½ miles from the docks at Manchester to the River Mersey at a point almost opposite the city of Liverpool. In addition, the Manchester Ship Canal Company owns the eighteenth century Bridgewater Canal of 51½ miles, linking up various smaller industrial centres in the neighborhood with the main canal. It operates wharves, docks, and necessary railway lines.

The company is a private corporation with an outstanding capital of £10,948,970 in loans and debentures and £9,610,230 in preferred and ordinary stock. The gross revenue normally exceeds £2,000,000. In 1931, it was £1,763,483 and the net revenue available for interest, etc., was £643,244,000. After paying interest on the debentures and dividends on the preferred stock there was a balance sufficient to pay 1 per cent on the ordinary stock. This rate is considerably less than the rate that has been paid in the past. Between 1923 and 1927 inclusive the dividends on the ordinary stock amounted to 5 per cent.

The Manchester Ship Canal was opened in 1894. The sea-borne traffic steadily rose until the beginning of the war and is today even larger than in the immediate pre-war years. Sea-borne traffic passing through the canal last year was 5,688,195 tons; barge traffic 210,094 tons in addition. All of the merchandise, minerals, livestock, passengers, etc., passing through the canal were subject to tolls. In addition, the canal had a large income from wharfage, supplying water to ships, renting the use of the canal for regular traffic, and for various services rendered to ships.

A large portion of the capital for the canal has been raised by the City of Manchester which has taken back debenture stock for its investment and on this debenture stock it has regularly received its interest. At one time the debenture interest was in arrears and preferred stock was issued to the City of Manchester to satisfy and discharge the arrears.

The majority of the directors are appointed by the Manchester Corporation, or civic government.

Toll of 26 Cents a Ton

The canal carries practically all kinds of traffic, including large quantities of grain, flour, iron and steel products, oil, timber, and livestock.

The average receipt per ton of merchandise carried was approximately 26 cents last year and the rate varied according to the class of cargo and what it could afford to pay.

The Manchester Ship Canal is so important a project that its history has been published in two volumes by one of its early advocates and promoters. Manchester gained its importance with the Industrial Revolution, when the many streams in the neighborhood permitted a prosperous cotton industry to develop. But as many as two hundred years ago, a canal was dug to link Manchester with the sea. The Bridgewater Canal was built from Manchester to Runcorn at the head of the Mersey estuary. Thus part of what is now the Manchester Ship Canal system was built in the 18th century. But these were small canals suitable only for barges up to 50 tons and it became apparent toward the end of the 19th century that Manchester would either have to have better access to the sea, in short, to become a seaport, or fall by the wayside in industrial development. A group of energetic citizens, against great opposition, got through the House of Parliament a bill permitting them to raise capital for the construction of a canal and in 1887, they bought the Bridgewater Navigation Company and started work on the larger canal. It was found difficult to raise the capital and eventually the City of Manchester put £5,000,000 into its debenture stock which permitted the canal to be finished. In 1894 it was formally opened by Queen Victoria.

Made Manchester Great

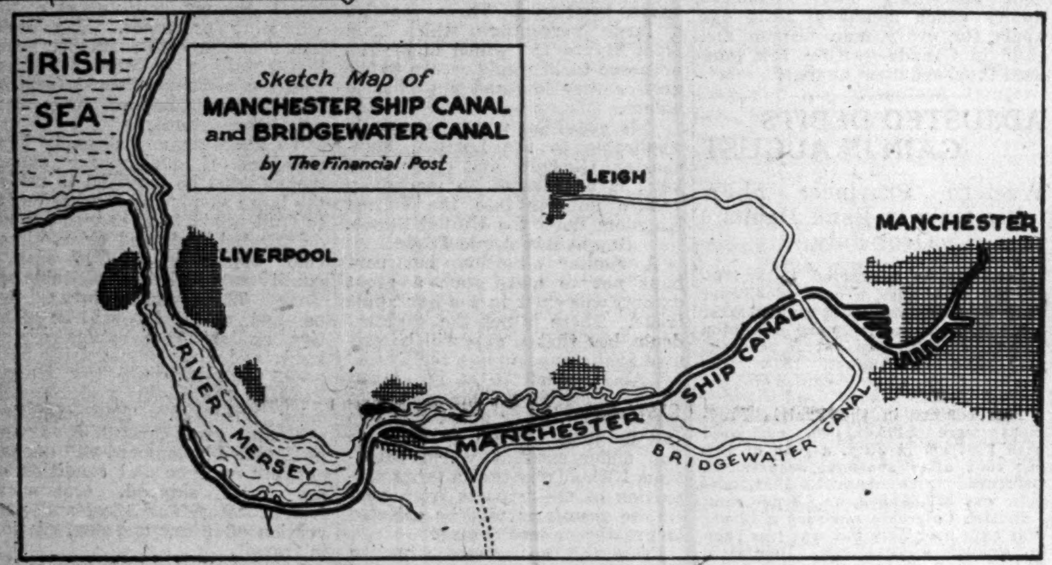
Following the completion of the canal, Manchester had a period of industrial development that made of it in time one of the world's great cities. Within a 75 mile radius of the city, there are over 14,000,000 people compared with 13,000,000 within a similar radius of London. Manchester is the centre of the most densely packed population in the world and many commentators have given to the ship canal a large portion of the credit.

Is Financial Success

The ordinary shareholders have received dividends ever since 1915. Manchester Ship Canal may be regarded as a financial success and the reason it is a financial success is that tolls are charged to those who use the canal and obtain its benefits.

In Canada, argument is frequently heard that the cost to the taxpayers of the operation of our canals is small compared to the general benefits to the country. In the Manchester Ship Canal it has been proven that it is possible for canals to charge tolls and pay their own way and still be of remarkable benefit to the area they serve.

This is the second article in a series on some of the world's great canals in which their policies of charging tolls are outlined. The Panama Canal was discussed in the issue of August 27. An article on the Suez Canal will appear in an early issue.



World Economic Meet Means Much to Canada

Widespread Pessimism Militates Against Success of Conference, But Possibly May Arrive at Basis for Revival of World Trade

The choice between a commercial warfare which will destroy the value of a considerable proportion of the world's economic assets reducing standards of living, and international co-operation which will create prosperity and raise those standards to new high levels, will be made by the Economic Conference which is to meet in London in the autumn of 1932 or the spring of 1933.

For examples of the extent of the destruction which has already been wrought, we may turn to the gold value of the exports of Great Britain in the first quarter of 1932, which were about 36 per cent of the value of her exports in the same quarter of 1929. The corresponding figure for the United States was 27 per cent and for Canada, 33 per cent. For most countries the present gold value of foreign trade is less than 40 per cent of the value of foreign trade in 1929. While prices are responsible for a large proportion of this decline, the actual volume of foreign trade is at a lower level than at any time for many years. The wide variety of new restrictions on imports and the steady rise in the height of world tariff barriers have produced pessimism concerning the future trend of world trade. It was the recognition of the necessity for constructive international trade co-operation which gave rise to the World Economic Conference.

Held Open Meeting

In Washington, D.C., in April, 1932, there was the first open meeting of the Academy of World Economics, an organization established to study economics from a world point of view, to promote a wider understanding of the facts and tendencies affecting the world as an economic unit and to discover plans and policies calculated to restore international trade and conserve world prosperity.

With the general improvement in confidence which has taken place since April when this meeting was held, there has come to be a general feeling that the worst of the crisis has passed and that it is possible to look forward to better times with reasonable optimism. Yet the world has suffered severely. Business is more safe than during the revels of 1929 and there is a more sane attitude on the part of business men which makes possible a serious discussion of those problems which have created the recent crisis, and an increasingly firm resolve that the same mistakes shall not be repeated. It is of special significance that the Academy of World Economics should be created in the United States of America. It is a mistake to assume that there is less of world viewpoint in the United States than in other countries, and yet if it is to be the United States which is to lead the world back to the pleasant paths of prosperity, there is special need that leadership in that country should have a peculiarly keen understanding of the problems with which the world is confronted and a sound grasp of those governing principles which must be invoked if conditions favorable to general recovery are to be created and fostered.

Need Normal Trade

At this same meeting Dr. Ernest Minor Patterson, of the Department of Economics at the University of Pennsylvania, laid emphasis upon the necessity for reestablishing a normal volume of world trade. He pointed out that the people of a highly industrialized area such as the United Kingdom, Belgium or Japan, are dependent for their standards of living, and in many cases for existence itself, upon conditions which make possible the imports of food and raw materials and the export of manufactured goods. To permit industrial processes to come to a standstill and the production of real wealth to be substantially curtailed is to do injury to the whole fabric of civilization. If there must be readjustment it should take place in such a manner that functional activity will be maintained. Coal must be taken from the mines and foodstuffs from the farms: railroads and factories must continue to operate.

It is more common for this principle to be neglected in international relations than in efforts to deal with domestic situations. In domestic economy it is recognized as better to sacrifice stockholders and bondholders than to permit the interruption of necessary work. We accept the misfortunes of receiverships and reorganizations rather than endure paralysis of transportation. In international economy, rights of investors are at times pressed with the aid of military force. "Reparation claims and other political debts are viewed as rightful claims even when insistence upon their collection helps to break down the free movement of commerce. Alleged rights to impose tariff duties and other trade barriers likewise are obstacles to the functioning of business."

View Individual Needs

In opposition to the view that world trade must be restored stands the argument that each country must be at liberty to expand its own economic activity, to shut out the manufactures of other countries, to develop a high degree of self-sufficiency. Those who take this view may feel sorry for the misfortunes of manufacturing areas, but they end by stating that such misfortunes are not their concern. They can take cognizance only of those factors having to do with national welfare and the improved conditions of home industries.

If a broad view of world economics is achieved, the argument given above becomes absurd. The world is becoming increasingly inter-dependent. The farmers, miners and fishermen of Canada need new and greater markets for their products. World buying power must be increased and this can be achieved only by means of mutual concessions. The inter-dependence of the world must continue to become increasingly complex. There can be no high level of national prosperity dissevered from world prosperity. This is a British tradition and it is the world's departure from this tradition which is in no small measure responsible for the difficulties in which the business world is now involved.

In the years since the war almost every nation has come into conflict with other nations on political questions where the views of the two governments seemed completely irreconcilable. There seemed to be no possible compromise. The disseverance of the two viewpoints was complete. Again and again this has been true of France and Germany, of France and Great Britain, of Great Britain and Russia, of France and Italy, etc. Yet, as time has passed, new viewpoints have developed. Those personalities who have determined governmental policies have given place to new personalities. Viewpoints have changed. National ideals themselves have been adjusted to realities. Gradually a basis for one compromise after another has been found and discord has given place to harmony. It is an established principle that if one group of diplomats and intermediaries can find no common basis for discussion it will not be long before one side or the other, or both, will replace these men with others who will be able to take a broader and less passionate view of the subject. War itself no longer holds forth the hope of overwhelming victory. After war, the old questions remain to be settled and the final settlement is an adjustment of conflicting views.

It is a process like this which will restore reason to the economic relationship between nations. Where prejudice in favor of extreme economic nationalism holds complete control of national policies so that the existing governments are afraid of the political repercussions of compromise, the process may be slow. Compromise and co-operation in international trade relations are essential to world prosperity and in the long run compromise and co-operation will be achieved.

As a preliminary to the International Economic Conference there is widespread pessimism. As yet there is a feeling that national governments are too divergent in viewpoint to make satisfactory international agreements. It may be that this particular conference is doomed, but there was also pessimism concerning the outcome of the Ottawa Conference. At the Ottawa Conference mutual concessions were achieved. It is probable that no country represented at the Ottawa Conference was completely satisfied with the results attained. In a like manner the World Conference will bring no complete success to any one nation. At the worst, it may be a complete failure, but from that failure will come better understanding of the difficulties of other nations and either through a second conference or a third or a fifth, or through agreements between individual nations, the basis will be established for a revival of world trade. Such is the nature of economic progress. It is rarely sweeping and dramatic. It is only painfully and haltingly that progress is achieved and yet down through the ages the volume of world trade has increased, the world has become increasingly interdependent and it is not likely that the hands of the clock are now to be turned backward in their course.

Safeway Stores Expands Property

Safeway Stores Ltd. are constructing four new stores in Winnipeg, representing an investment of $30,000. Lewis D. Squair, district manager, in an interview, stated, "The times seem propitious for building, the cost of construction is low and the company has faith in the future of this country." The Safeway stores building programme will bring their total stores for Western Canada up to at least 50 by the end of 1933.

Dividend Expected Shortly on Craig, Luther Estate

From Our Own Correspondent

MONTREAL.—Robert Wilson, receiver for Craig, Luther and Co., bankrupt brokers, has circularized creditors to the effect that a substantial initial dividend is in early prospect.

J. P. Craig and E. G. Graves, partners in the company, have applied for their personal discharge from bankruptcy and the court has fixed October 18 as the day for the hearing. Mr. Wilson, in his letter to the creditors, points out that the assets of these partners are vested in the trustee and will be realized for the creditors of the estate.

Some Difficulties Experienced

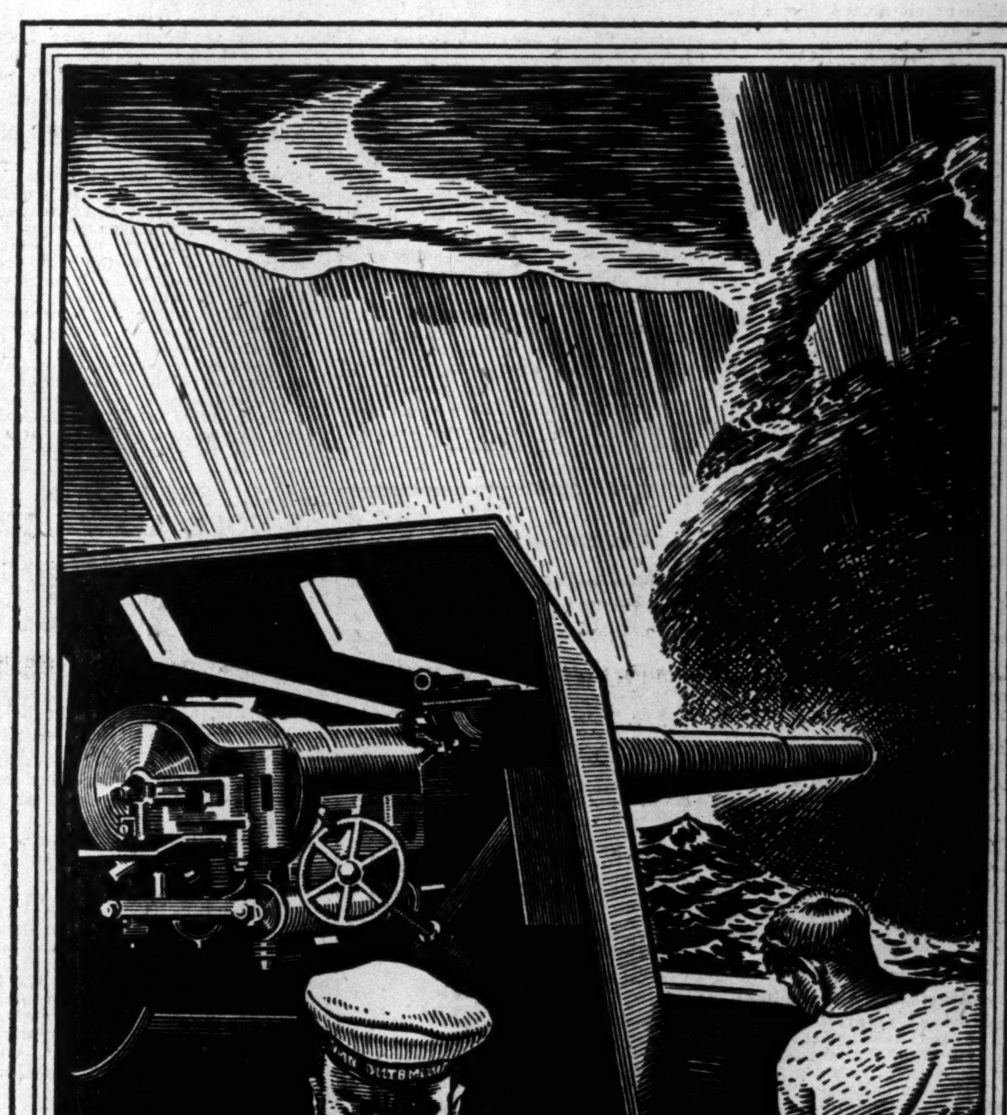
"Much difficulty," Mr. Wilson says in his letter, "has been experienced in the adjustment of certain contingent claims under guarantees, and it appears that it will be necessary for the estate to set aside a sum of $42,000 to be held on deposit pending the liquidation of certain securities. We are of the opinion that probably a large part, if not the whole of this $42,000, will be refunded to the estate and will eventually become available for distribution among the ordinary creditors. There are also claims under guarantees in an amount of $6 000 which must in the meantime be allowed rank for dividend, although your trustee and inspectors are of the opinion that any dividends reserved on these claims will also eventually be available for distribution among the ordinary creditors.

"Progress has been made in the collection of debtors' accounts, although the collection of the full amount which it will be possible to eventually realize will take some time. In a number of cases arrangements have been made for debtors to extinguish their indebtedness by installments."

Mr. Wilson points out that three of the secured creditors have not yet fully realized on the securities in their hands, and a possible balance for the estate is in prospect from this source despite the fact that two of these creditors will rank as claimants for dividends in the first dividend sheet.

THE STORY OF A GREAT CANADIAN INDUSTRY—INTERNATIONAL IN SCOPE

1891



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Only gunnery practice aboard a U.S. man-of-war, but the roar of the guns marked the opening of a new era in armaments which resulted in enlarged markets for Nickel.

The United States Navy had ordered a Nickel Steel plate from a French Steel Mill and a plain steel plate such as was then used by the British Navy. In the gunnery practice at which these plates were tested, Nickel Steel proved itself infinitely superior.

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Few men in authority at that time would credit the fact that the addition of Nickel imparted such unusual strength and toughness to steel until this practical test proved it.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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CLOSED DOORS CUT MIGRATION TO LOWEST YET

New Arrivals This Year Will Scarcely Exceed 30,000

MOSTLY RELATIVES

Canadians Return from United States by Thousands at Present Time

From Our Own Correspondent

OTTAWA. — The "closed door" immigration policy is proving so effective that new arrivals into Canada in the fiscal year which will end March 31 next, will scarcely exceed 30,000—the lowest inflow of population to this country in any year since the turn of the century.

The "closed door" policy was put into effect by the Bennett government within six weeks of taking office in August, 1930, but did not reflect itself in the immigration statistics until the following spring. This was due to the large number of entry permits issued by the former administration — permits which were not recallable and which were used in the fall of 1930 and the spring of '31.

The restrictive policy, therefore, did not become really effective until about April, 1931, and, in the fiscal year that followed, immigration dropped to 88,223, against 163,288 in the preceding year. This was a cut of nearly 50 per cent. But in the new year presently under way, the cut will be even greater.

Much Below Last Year

The Immigration Department has just issued the figures for the first quarter of the new year—April to July, inclusive, and the returns show a total of only 9,313 new entries. In the corresponding period of the previous year the inflow was 15,803.

It is important to note that curtailment of immigration has tended to make for better class, more desirable immigrants. Thus of the 9,313 who have entered Canada this fiscal year 1,681 were British, 6,201 from the United States, 418 from northern, "preferred," European countries, and only 1,113 from southern European countries. The British and American settlers, therefore, account for about 80 per cent of the new population presently entering Canada.

Something of the difference which the new policy, aided perhaps by the depression, has made to Canadian immigration may be found in the statistics for the last decade. Immigration into Canada was as follows:

1923	72,887
1924	148,560
1925	111,362
1926	96,064
1927	143,991
1928	151,597
1929	167,722
1930	163,288
1931	88,223

First quarter of 1932—9,313.

Are Mostly Relatives

Analyzing the immigration statistics reveals the fact that most of the present immigration comprises wives and children of persons already in this country. Thus, out of the 9,313 new arrivals in the period April to July of this year, 75 per cent are women and children. Another curious fact is that the prairie west has ceased to be the mecca of landless Europe. The great bulk of the present immigration is going to Ontario and Quebec, and only a handful are finding their way to the other provinces.

Still another interesting aspect of present day movement of population is that the drift has ceased to be from Canada to the United States and is now the reverse. The acute problem of the "exodus" to the United States has solved itself. Only a few years ago all the benefit this country might have obtained from large immigration was off-set by the loss of as many or more of our native born, who emigrated to the United States. Since the stock market crash in 1929 more than 100,000 Canadians have returned from the Republic to Canada, and the number of these re-patriots is increasing steadily. At the same time the exodus which used to run as high as 200,000 per year has almost disappeared. In 1931 the number was but 32,137 and this year it will scarcely exceed 15,000.

Quebec Gold Output Gains

Gold production in the Province of Quebec increased by 50 per cent in 1931, as compared with 1930, according to a report of the Quebec Bureau of Mines, which points out that this province is now the second largest mineral-producer in the Dominion, ranking after Ontario. The value of the year's mineral yield in the province was $35,778,364.

July N. S. Creamery Production

The estimated production of creamery butter in the Province of Nova Scotia, during the month of July, 1932, amounted to 842,879 pounds, compared with 749,088 pounds during July of last year—an increase of 12.5 per cent.

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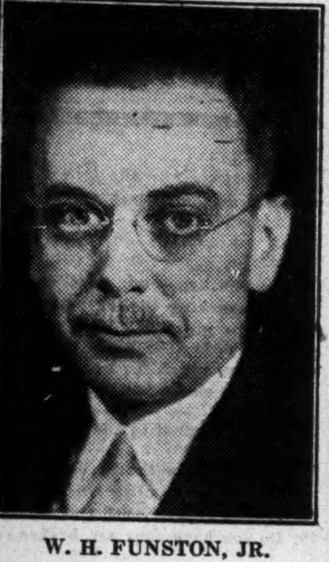
Firestone President



W. H. FUNSTON, JR.

Appointed president of the Firestone Tire & Rubber Co. of Canada in succession to E. W. BeSaw, whose sudden death occurred early in September.

Immediately before his recent appointment Mr. Funston was located in the Akron offices as general manager of Firestone's mechanical rubber division. Previous to that, he has held positions as purchasing agent and later sales manager of the Firestone Steel Rim Company, also general manager of the Xylos Rubber Company of California, a Firestone subsidiary.

OGILVIE FLOUR ANNUAL REPORT COVER CHANGES

Reflect Redemption of Bond Issue — Expect Lower Earnings

From Our Own Correspondent

MONTREAL. — Financial statement of Ogilvie Flour Mill Co. for the year ended August 31, 1932, scheduled to make its appearance toward the end of this week, is expected to reveal a number of important changes.

No information is to be had on earnings, but in view of the unsettlement in the export markets brought about by Great Britain going off the gold standard and the decline in purchasing power, as well as lower prices in the domestic market, it is not expected that the income account will show any increase in profits from operations.

Inasmuch as the company secures a substantial proportion of its income from investments, the operating and sales position of the company does not wholly reflect the company's earning power. In its last report, the company showed investments of $7,829,445 and investments in affiliated companies totalling $2,650,935. It is generally understood that these investments have been carried by the company on a very conservative basis, so that there is a margin to allow for shrinkage in values or income in that division.

Small Margin Last Year

In the fiscal year 1931 Ogilvie Flour reported an income after depreciation and bond interest of $755,149. This was equivalent to $37.76 on the $7 preferred and $8.20 on the common, on which a dividend of $8 was and is being paid. It is problematical as to whether or not the company earned its common dividend last year. Even under favorable circumstances, it is not expected that the forthcoming report will show a very wide spread between the amount earned and dividends paid on the common stock.

The principal feature of the 1932 report will be in the balance sheet which will show the elimination of the company's funded debt of $2,350,000, which matured and was redeemed on June 1 last. As a result of this transaction the preferred stock now ranks as the senior charge, as, so far as is known, no additional financing was carried out by the company. This step may have entailed a realization of some of the company's investments.

MINNESOTA PAPER HAD SMALL PROFIT

Minnesota & Ontario Paper Co. showed a slight profit in the six months ended June 30, 1932, before provision for depreciation and bond interest. The receiver's certificates outstanding have been reduced to $300,000 from the original amount of $635,000 outstanding. Substantial progress is stated to have been made in the examination relating to title to various properties and the correction of defects therein and it is believed that there remain no serious problems of this character.

A. D. Cobban, of Wood, Gundy & Co., Toronto, has been elected to the Bondholders' Protective Committee to fill the vacancy caused by the resignation of T. R. Harrison. Details of the receiver's report have not been made public but the report refers to the proposed merger of Canadian newsprint companies and states that such progress as was being made has slowed up and the movement now appears to be at a standstill.

WIDE SPREAD IN COAL PRICE CAUSES STIR

Retailers' Margin on Welsh Anthracite 3 Times That of U. S. A.

COSTS ANALYZED

Toronto Dealers Give Explanation and Lay Blame for Controversy With Quebec Importers

Record volume of imports of Welsh anthracite this year which are expected to reach the million ton mark has given rise to heated controversy as to the price at which the British product is currently selling in Canada.

Claims are being made that there is far too great a spread between the price at which British anthracite is being imported and the price at which it is reaching consumers and that explanations have already been asked from British importers as to why this undue spread exists.

Investigation as to prices of United States and Welsh anthracite coal in Toronto, carried out by The Financial Post, indicates that claims as to an undue price spread appear to be justified. An even greater spread is said to exist in the respective prices of the two kinds of coal in Montreal.

Here are the facts of the case.

Comparative Figures

According to records maintained by the Dominion Bureau of Statistics the average import price of British anthracite known as "Welsh cobbles" and which grades into sizes known here as grate, egg, stove, nut and pea, amounted for the four month period, April 1 to July 31, inclusive, to $5.17 per ton. Approximately 536,500 tons were imported in this period with a total import value of $2,772,381. After making all known additions for degredation, freight, customs and so forth, the cost of laying this down in Toronto would be approximately $9.17. The selling price of this coal in Toronto is $15 a ton leaving a spread of $5.83 to cover costs of distribution and profit.

United States anthracite grouped by the Dominion Bureau of Statistics in the same category as the above, was brought in at an average import price for the 419,000 tons imported in the April to July period, of $7.17 per ton. To this must be added freight, degredation and other costs as in the case of the British coal and which brings total laid down cost in Toronto to approximately $12.42. Selling price of this type of American anthracite in Toronto as quoted by one leading retailer is $14.50 or 50 cents less than Welsh anthracite, leaving a spread of $2.08 to cover costs of distribution and profit.

Here are the respective figures:

Relative Cost and Selling Price of Imported Anthracite

(Grate, egg, stove, nut and pea grade)

	British	U.S.A.
Aver. import price	$5.17	$7.17
Degradation loss	2.50	.50
Freight	1.25	4.14
Duty, etc.	.25	.61
Laid down cost*	9.17	12.42
Selling price*	15.00	14.50
"Spread"	$5.83	$2.08

*At Toronto.

In other words although Welsh anthracite is selling at 50 cents a ton more than American coal, the apparent cost to the trade is nearly $3.30 less, indicating a "spread" in favor of British coal of $3.80 a ton. Put another way the margin between laid down cost and selling price of British coal is nearly three times that of American coal.

Dealer Explains

Asked for an explanation, a Toronto dealer interviewed by The Financial Post maintained that the spread was justified by the extra cost of handling, storing and financing Welsh coal. All this coal must be brought in and paid for during the summer and fall months while navigation is open whereas United States coal is brought in, as needed, 12 months in the year. It was also pointed out that it is only this summer when the coal has been handled in a substantial volume that costs have been brought down to the figures quoted above. "The real story—if there is one—lies in Montreal, in my opinion," said this retailer. "Costs of bringing Welsh coal into that market should be very low."

Analyzing these figures it will be noticed that the important difference between the cost of importing British and United States anthracite to Toronto lies in the matter of degradation and freight. The big cost of bringing American anthracite coal here lies in freight costs which absorb roughtly $4.14 from the pit head. The main item in the handling of Welsh coal is degradation of product which amounts to roughly 30 to 40 per cent and involves an estimated cost per ton of between $2 and $2.50.

Similar Difference in Blower

A similar discrepancy applies in the case of blower coal or "Welsh peas" as the British product is called. In the Canadian trade returns this is shown as "anthracite-n.o.p., buckwheat, rice and barley." Figures procured by The Financial Post from the Dominion Bureau of Statistics indicate that in the period April 1 to July 31, inclusive, average imports from Great Britain of this type of anthracite cost on the average, $2.82 per ton, while the average import price of this coal from the United States was $2.90. Applying the same figures of degradation, freight and so forth as given above, to this type of coal, it is found that on British coal which retails at $10.50 per ton, the spread is $3.68 and on American coal which retails at $10 a ton, the spread is $1.85. In other words here again the margin on the British product is very large amounting to roughly just twice the spread on the U. S. commodity.

According to the explanation of this difference published by the Ottawa correspondent of the Toronto Mail and Empire, the difference is explained by the fact that there is a British monopoly on the export of anthracite and that in this way the Canadian consumer is being exploited on a scale that turns any additional preference into so much more exploitation. Useful expansion of this market in the interests of the British miners is said to be impossible while the monopoly continues.

The matter is said to have already been directed to the attention of the combines section of the Department of Labor. Some difficulties exist because one party to the alleged combine is outside Canadian jurisdiction. If that party refuses to submit to Canadian enquiry it will be that much harder to put the extension on coal preference through the Canadian House.

With World Wheat Stocks Growing Larger Each Year West Asks Bushel Bonus

From Our Own Correspondent

WINNIPEG.—A conference was held this week at Winnipeg between representatives of the provincial wheat pools, Premier Bracken of Manitoba, Premier Brownlee of Alberta and Provincial Treasurer McPherson of Saskatchewan, at which the wheat market has been the major subject of discussion. The conference was called with the primary idea of agreeing, if possible, upon renewed representations to Prime Minister Bennett for the establishment of a wheat board, or any other action that might have the effect of stemming the decline in wheat prices.

The Dominion Government are known to be involved already in the wheat market. Through responsibility for the operations of the Central Selling Agency of the wheat pools for transactions in respect to the marketing of the crop of 1930, which are supposed to have left that agency carrying at the present time many million bushels of futures. In addition some buying of futures to a limited extent in recent weeks is believed to have been authorized by the government, or to be authorized in pursuance of authority granted at the beginning of the crop year.

Seize Wheat For Taxes

One of the ironies of the situation is that the Saskatchewan Government, which is pressing for action by the Dominion Government, which would mean essentially government buying of wheat is indirectly one of the largest present sellers, for a considerable part of Saskatchewan wheat which has been sold this year has been that seized by the Saskatchewan Relief Commission, or by municipalities for taxes, essentially under government dictation.

While no official information has been given out, statements understood to have emanated from some of those in attendance are to the effect that it had formerly been hoped that the market would be sustained by allowing the Central Selling Agency to refrain from liquidating its commitments, and by a limited amount of stabilization operations, such having been agreed to by the government two months ago. But the hoped for effect has not been realized, and instead sellers of wheat have taken advantage of the government position.

Ottawa is Cold

There is no indication that any encouragement has been received from Ottawa in connection with the present conference. Those familiar with the market situation point out that the government or any other agency, which would buy a sufficient quantity of wheat, could possibly bring the Canadian level of prices up to that prevailing in the United States, but that the principal effect of such action would be to transfer to that country a large part of the export business which Canada is now doing by virtue of underselling others in the world market, and to create the certainty of a large increased carry-over of Canadian wheat at the end of the crop year.

At the conclusion of the conference a despatch was sent to Ottawa asking Prime Minister Bennett to pay a federal bonus on wheat production. In well informed circles, comment is made upon the futility of attempting to liquidate world surpluses of wheat, growing larger each year, by bonusing production.

NEWSPRINT PRICE ON PACIFIC COAST STILL UNCHANGED

But Western Mills May Have to Meet Eastern Cut

From Our Own Correspondent

VANCOUVER. — Pacific coast newsprint mills continue to operate five days a week with a percentage of capacity production substantially higher than in the East, but it is probable that they will eventually feel the effects of price-cutting in the East. Changes won't come now but may come before January 1.

This is the opinion of leading operators who have regarded recurring price readjustments downward with some anxiety.

According to an executive of one of the coast's newsprint mills, there will be no changes in price for the balance of the year. Until the present confusion in the East was clarified, he said, operators on this coast would be unable to make any definite plans.

Pursue Own Course

In past years British Columbia mills have usually been able to hold aloof from Eastern price fluctuations inasmuch as their field is pretty much confined to territory not covered by Eastern mills. In the course of time, however, they have usually been obliged to alter their schedules in conformity with Eastern changes.

When Powell River Company and the Crown Zellerbach Corporation, the other large Pacific coast newsprint producer, set a base price of $50 about a year ago they established this market as the lowest price zone on the continent, for at that time the prevailing standard price in the East was $53, although some mills were probably shaving that figure on many sales. The $50 price was regarded then as the minimum figure at which newsprint could be sold in fairness to producer and consumer.

A serious factor in the coast newsprint situation is the continued competition from Swedish mills which have been able to ship through the Panama Canal and land cargoes in San Pedro, San Francisco and Seattle at prices lower than the coast mills' list price. The Scripps-Canfield group of newspapers, one of the largest on the coast, has been one of the chief customers of Swedish paper.

Re-open Pulp Mill

The woodfibre mill of B. C. Pulp & Paper Company, shut down since early spring, has been re-opened to take care of a few small orders, but whether the mill will remain in operation for the rest of the winter has not been decided. The company's mill at Port Alice is still down.

"Expected improvement in the market has not materialized," said President I. W. Killam. "Finnish competition has recently been a factor on this coast, but we hope to find better sales in the Orient."

Oscar A. Jorgenson, assistant manager of B. C. Pulp, is now in Japan.

Blazing a new trail for the industry in Western Canada, Pacific Mills, Ltd., is going ahead with a $350,000 expansion programme, aimed chiefly at production of solid fibre containers for the use of the salmon, sugar and dairy products packers of British Columbia.

In the past all solid fibre containers have been brought from the East by coast consumers, the largest user being possibly B. C. Sugar Refineries. The salmon industry has been using wooden boxes for packing, but Pacific Mills hopes to wean the packers away to the use of solid fibre.

In order to produce this article several changes are being effected in the mechanical layout at the company's mills in Ocean Falls. After being pasted and cut, the fibre boards will be shipped to Vancouver, where the converting plant is being extended to deal with this new product at a cost of about $100,000.

The present plant is already manufacturing a complete line of tissues, waxed papers and wrappers. Pacific Mills has developed a large export trade in these products in the Orient and Australasia, although its chief product is newsprint.

Pacific Mills is also increasing the productive capacity of its sawmill by about 25 per cent, and changes are also being made in the kraft mill.

Geo. Sedgewick Likely to Take Tariffs Chair

From Our Own Correspondent

OTTAWA. — Unofficial reports appearing in Conservative newspapers close to the administration couple the name of Justice George H. Sedgewick, of the Ontario Supreme Court with the position of chairman of the Canadian Tariff Commission.

Reliable information obtained here is to the effect that this post actually has been offered to Justice Sedgewick and that the completion and announcement of the commission only await his acceptance. There is, apparently, one obstacle in the way; it has to do with pension arrangement. The post carries a salary of $12,000 which is greater than the salary of a Supreme Court judge but the appointment runs only for ten years and the pension, while generous, is substantially lower than that paid to a retired member of the higher judiciary. It is thought certain, however, that this difficulty will soon be cleared away and the appointment announced.

No names have, as yet, been mentioned for the other two commissionerships. One of them will go to a French-Canadian and the other to a westener. If Justice Sedgewick's acceptance is received promptly, however, the government will have no difficulty in completing the commission and announcing the personnel to the public.

Ont. Power Service Is Being Taken Over

Ontario Power Service Corp. bondholders having deposited 90 per cent of outstanding bonds, the offer by the Ontario Government of Hydro-Electric Power Commission of Ontario bonds has been made effective. After a cabinet meeting on October 11 it was intimated that the Government hopes to get 100 per cent ownership of the company.

Premier Henry has communicated with Hon. J. R. Cooke, chairman of the Hydro-Electric Power Commission, with a view to having work at the canyon resumed at once. Two generators, it is expected, will be completed ready to deliver power next spring.

POWER CORP'N. REPORT SHOWS NEWER TRENDS

Investment Values Are Down, as Well as Income

RETIRE DEBENTURES

Gain in Values Shown Since Year End — Surplus is Cut Into by Heavy Deficit

From Our Own Correspondent

MONTREAL.—Power Corp. of Canada's financial statement for the year ended June 30, 1932, bears evidence of general financial conditions in that investment values have shrunken, while gross and net income is off appreciably from that reported a year ago.

Lack of details regarding the company's investment portfolio makes difficult any comprehensive review of the company's position. The published financial statement shows investments of $43,170,355, which had a value on June 30 on the basis of "available market quotations or estimated fair value" of $21,386,495. Subsequently the market value of these investments improved and at the end of September were quoted at $26,614,916.

Earning power was limited during the year. Gross income from all sources totalled $1,929,473, as compared with $3,412,404 in the previous year. There was a minor decline in expenses. Interest charges were higher due to the premium paid on foreign exchange.

Not Enough For Common

The amount of earnings available for distribution on the capital stock was $666,261, as against $2,177,319 in 1931. Dividends paid totalled $1,343,443, a deficit of $677,182. Earnings available on the common stock were equivalent to 14½ cents a share.

Particulars of the income account for the past two years follow:

Year Ending June 30

	1931 $	1932 $
Gross earnings	2,654,687	1,929,473
Prof. sale securities	*757,717	......
Total income	3,412,404	1,929,473
Less: Expenses	434,020	426,805
Taxes	53,691	7,851
Interest	747,374	828,556
Net income	2,177,319	666,261
Less divds.:		
1st preferred	300,000	300,000
2nd preferred	300,000	300,000
Common	817,546	743,443
Trans. to invest. res.	1,000,000	......
Loss on sec. sold	......	†1,043,998
Surplus for year	‡240,227	‡1,721,180
Add: Prev. surplus	3,491,304	3,531,562
Adjustments	280,485	......
Carried forward	3,531,562	1,810,382

*Before providing for $900,549 loss on sale of securities which was charged direct to investment reserve.

†After deducting investment reserve and discount on debentures redeemed.

‡Deficit.

During the year Power Corp. disposed of a number of securities which resulted in a loss to the company of $1,043,998 after deducting balance at credit of investment reserve and discount on debentures redeemed totalling $2,500,898.

Examination of the balance sheet discloses a number of changes. Assets are shown at $43,592,647, down from $47,172,911 a year ago. The principal item among assets is investments of $43,170,355, the market value of which has been referred to.

Few Investment Details

In the 1931 report advances to and common stocks of affiliated companies had a book value of $17,094,418. The current statement shows "bonds, stocks and advances to controlled and affiliated companies" of $26,534,817. The report is not clear on the point of whether or not the 1931 statement included bonds, or if such investments were carried in the general list.

"Other investments" have declined almost to the same extent as Power Corp.'s interest in affiliated companies increased. The 1931 report reveals other investments of a book value of $29,391,672 and for this year $16,635,538.

Cut Down Liabilities

Among liabilities, bank and other loans have been cut down from $1,300,000 to $828,562, a difference of nearly $500,000. Notes payable to affiliated companies have also been reduced — from $782,948 to $685,448.

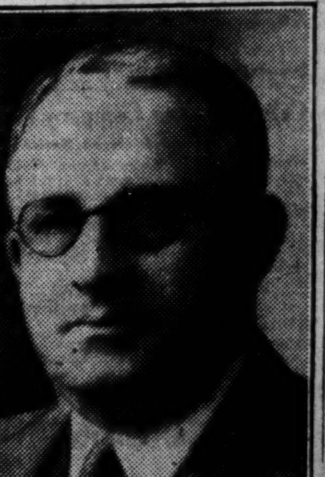
Improvement also is seen in accounts payable and accrued liabilities, which now total $259,079 as against $474,373 a year ago.

Another strengthening factor in the balance sheet position is the retirement of a substantial block of debentures during the year. Outstanding 5 per cent debentures have been reduced from $2,673,700 to $2,414,700, while the 4½ per cent debentures have been reduced from $10,000,000 to $9,475,000.

Capital and surplus is segregated this year, the 446,088 shares having a book value of $17,969,475. This represents an increase of 130 in the number of shares issued, it being understood that these shares were subscribed for and paid by employees.

The balance at credit of profit and loss account stood at $1,810,382 at the last, as compared with a carry forward of $3,531,562. This decline is largely a reflection of the loss taken on securities sold and incorporated in the income account.

Appointed President



W. P. FESS

Managing director and formerly vice-president of Canadian General Insurance Co., who has been elected president to succeed the late W. W. Evans.

PEACHES CROP FINEST PACKED IN CANADA EVER

Keen British Demand Awakes For Pears and Other Fruits

MANY EMPLOYED

Canning Industry Definitely Headed For Better Times —Canadian Canners is Active

Canadian Canners plant managers in the Niagara Peninsula report that the pack of peaches put up this year has turned out to be the finest in the history of Canada bar none. Not a merchantable peach of good quality has been left on a tree and inroads are already being made on the pear crop for the year. That crop alone will keep a small army of workers active for six weeks. Such an active demand developed from England for the excellent quality crops being obtained this year that there are actually pears on trees in the Niagara Peninsula which have already been sold to English merchants but when they arrive in England they will be canned and labelled in all probability with the "Aylmer" brand.

Some of the peaches and pears packed this fall are already on the way to England. The quality of Canadian fruit is winning its way in England and is favored by many over the Australian fruit on account of the more delicate flavor and the smaller sizes available which make Canadian pears and peaches more suitable for canning in small tins.

Industry Is on Upgrade

The canning industry appears to be definitely headed for better times. The quick clearing up of excess packs of former years in tomatoes, peas, beans and corn, and the growing export demand for fruit together have given a more cheerful feeling to packers. By the end of this year the excess packs will be disposed of, the statistical position of stocks on hand will be such that the price situation should be firmer, and the excellence of most crops this year adds to the expectation that Canadian products both at home and abroad will find growing favor. The orchardist and grower of vegetables have been steadily improving their products under the spur of the steady demand and special quality requirements of Canadian Canners and other companies. Varieties have improved and the processes of packing have also shown great advancement.

Industry Is Well Established

Canning of fruits and vegetables has now grown to such an extent that canning is now regarded as one of the great indigenous industries of the country. Canadian Canners, to cite the principal case in the public eye because of the large public investment interest, has probably made more progress in the last nine years than in all its previous history of 20 years. This one company has $25,000,000

(Continued on page 13)

PEACE of MIND

No man can enjoy the leisure hours for which he strives unless his investments are secure. For peace of mind, keep an adequate Savings Account. It pays 3% interest, is always ready for use — and never depreciates. Whether your Savings be large or small, The Royal Bank of Canada is always ready to give you interest and efficient service.

The ROYAL BANK OF CANADA

CAPITAL $35,000,000 - RESERVES $39,155,106 - ASSETS over $725,000,000

DIVIDEND NOTICES

Borden's

COMMON STOCK DIVIDEND NO. 91

A quarterly dividend of fifty cents (50c) per share has been declared on the outstanding common stock of this Company, payable December 1, 1932, to stockholders of record at the close of business, November 15, 1932. Checks will be mailed.

A. T. JOHNSTON,
President.

Vancouver Grain Exports Increase

Grain exports from Vancouver this season are running ahead of last year's figures. Up to Sept. 7 some 4,461,781 bushels were shipped, compared with 3,584,613 bushels at the similar date last year.

NOTICES

SCOTCHMAN, 55 YEARS OF AGE, single, thorough knowledge of French and Spanish, 25 years business experience in Mexico; wishes to return to any Spanish-American country as representative or in responsible executive position. For further particulars, references, etc., write to W. D. Flemyng, Fort Steele, B. C.

FOR SALE BY VILLAGE OF RIPLEY

Installment Debentures $4,600 maturing Dec. 15th, 1932-1938, 5%. Price par and accrued interest. Apply E. F. Martyn, Clerk, or D. Munn, Reeve, Ripley, Ontario.

WANTED
Experienced Sales Manager

One who can organize and manage staff of salesmen, selling Monthly Instalment Savings Certificates in Ontario. Must be able to write sales literature and train salesmen. One experienced in selling insurance or securities preferred. Apply by letter giving age, previous experience and references. Bond necessary if engaged. Replies strictly confidential. Write Box 67, The Financial Post, 1070 Bleury Street, Montreal.

DIVIDEND NOTICES

Montreal Tramways Company

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending September 30th, 1932, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Thursday, the 6th day of October, 1932, at 4 o'clock p.m. and payable on Saturday the 15th day of October, 1932.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

September 19th, 1932.

Calgary Power Company Limited

Preferred Dividend Notice

Notice is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Six per cent (6%) Cumulative Redeemable Preferred Stock of the Company, for the quarter ending October 31st, payable November 1st, to shareholders of record at the close of business on October 15th, 1932.

By Order of the Board.

L. G. PROCTOR,
Secretary

Montreal, October 5th, 1932.

Canadian Dredge & Dock Co. Limited

PREFERRED DIVIDEND No. 19

Notice is hereby given that a dividend of one and three-quarter per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending October 31st, 1932, payable November 1st, 1932, to Shareholders of record at the close of business on October 19th, 1932.

By Order of the Board.

T. C. Luke,
Secretary.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 30

A DIVIDEND of Twenty-Five Cents (25c) per share, being at the rate of $1.00 per annum, on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending October 31st, 1932, payable November 15th, 1932, to shareholders of record at the close of business on October 31st, 1932.

By order of the Board.

L. C. HASKELL,
Secretary.

Montreal, September 23rd, 1932.

$95,836.94
City of St. Catharines, Ontario
5% and 6% Coupon Debentures

SEALED TENDERS, endorsed "Tenders for City of St. Catharines Debentures," will be received by the undersigned until 5 p.m. Monday, 17th October, 1932, for the purchase of:

$69,500.00	Unemployment Relief Works 5% Serial Debentures, maturities 1-10 years.
$26,336.94	Local Improvement 6% Installment Debentures, maturities 1-10 years.
$95,836.94	

1. The debentures will be dated 15th October, 1932.
2. Coupons will be attached for the payment of interest at the rate of 5% and 6% per annum, as indicated above, payable half-yearly.
3. Debentures will be payable both as to principal and interest at the Imperial Bank of Canada, Toronto.
4. Denominations of each Debenture will be $1,000.00 and odd amounts.
5. The right is reserved to reject any or all proposals.
6. For further particulars and financial statement apply to the undersigned.

STUART K. WATT,
City Treasurer.

City Treasurer's Office,
St. Catharines, Ontario,
8th October, 1932.

THINKS NEW IDEAS NEEDED TO BUILD FIREPROOF HOMES

Architect Condemns Adoption in Canada of U. S. A. Methods

SEES ANOMALIES

Frame Building Need Not be Fire Hazard if Properly Constructed, is Claim

By JAMES GOVAN
Consulting Architect, Toronto.

I am frankly sceptical about the wisdom of our Canadian policy of trying to reduce our fire losses in dwellings by advocating construction methods that are putting just as heavy a burden on the backs of people, who can't afford to bear it, as they now carry in fire losses.

In other words, in urging people to build what we have been taught to call more fireproof buildings, we are simply robbing Peter to pay Paul; and the worst of it is that over the area where the largest amount of home building is done in Canada, the Paul that is getting the benefits lives in the United States.

Continent Lags Behind

Recently in New York, Canadians conferred with a group of very able engineers, architects, manufacturers and sociologists, who are studying intensively the possible future trends in the development of more comfortable, fire-safe, economically-sound schemes for the housing of the great mass of low wage earners. In this wide field of construction, little or nothing that has been done on this continent, up to the present time, can be said to be at all satisfactory, whether the results be viewed from the standpoint of the individuals affected or by their effects on community welfare.

In Canada, our results to date have been failures because we have been satisfied to follow precedents adapted to the economic, social and climatic needs of other countries, without attempting to find a solution of our own peculiar problems. Any worth-while study of our problem must be based on our sparseness of population, enormous distances, available raw materials, severity of climate, rapidly changing conditions involving obsolescence in buildings and undesirability of saddling a small population with heavy carrying charges for large amounts of fixed capital.

U. S. Experience Not Helpful

If these fundamental Canadian requirements are to be met, it is doubtful whether the developments now projected in the United States will do much more than stimulate us to study some of the details of parts of their structures and the equipment they are putting into the inside of their new types of low cost houses.

With them the objective seems to be to have whole buildings housing many families in small suites of apartments, built and assembled by large corporations just as they now put out motor cars. The exterior walls, partitions, floors, roofs, doors, windows, etc., would be fabricated in units in factories, and these units would only need the simplest kind of assembling at the site where practically no surface finishing of any kind would be necessary.

While we are perfectly willing to give them all the credit due for the very ingenious and practical results they are working out, we question very seriously whether Canadian conditions will reach a point for a good many years when that kind of development will solve our problem.

Needs Are Individualistic

In the first place, our general needs in housing are more individualistic, and the congestion of population that would call for a solution such as they propose only exists in a very few places.

Secondly, there has been sufficient research development of our more commonly used methods of construction in Canada to prove that, with comparatively slight modifications, we can build individual homes providing equal accommodation for approximately the minimum sum that they are aiming at, and these homes would be built under existing building conditions and be even more suited to our climatic severities and social amenities.

That is not to say that many of the economies of mass shop production should not be embodied in our construction. This is now being done to a limited extent, and more and more these methods will eliminate the greater part of the waste and overhead which, under present methods, limit anything like satisfactory housing developments to the middle classes, and leave out of the picture entirely that very considerable proportion of our population that should not spend more than $2,500 for a home.

Two Problems Correlated

This paper is supposed to be confined to the discussion of construction methods to prevent fire waste, but it is because we in Canada have failed to tie up that study to its other related problems, that those who have been advocating reduction in our fire waste have stimulated construction developments that are not at all in the best interests of the Canadian public generally.

Getting down to details, what is our present situation?

(1) That a frame house can be built just as fire-safe for ordinary building hazards as can be provided by using much more expensive types of so-called fireproof construction.

(2) That such a fire-safe frame house can be heated with a plant less than half the size that would be necessary for the same house in so-called fireproof construction as we use it today.

(3) That fire-safe frame houses of six good sized rooms and bathroom, with front and back porches, have been built in Canada for about $5,000, and these houses have been kept comfortable throughout the whole winter, where the outside temperature drops to 40 deg. F. below zero, using less than $50 worth of American coal per season.

(4) That the same people who built these six-roomed houses figured they could build 4 room and bath room homes, providing equal safety and comfort, under the same severe climatic conditions for about $1,600.

(5) That the formula for figuring the size of heating plant for such buildings, as advocated by the American Society of Heating and Ventilating Engineers up until about 4 or 5 months ago, gave results which were 100 per cent in excess of actual requirements, and it is on this formula that practically all the data on insulation values published in Canada and the United States up to the present time are erroneously based.

If the facts are as stated above, why do we continue to urge the abolition of frame construction in favor of other methods that would not come anywhere near duplicating these results either in comfort or economy?

Why do we urge the adoption of building by-laws that necessitate the erection of homes in Canada that cost considerably more in first cost and cannot be made comfortable summer or winter, without extravagant additional expenditure in construction or, equally extravagant waste in fuel in winter and totally unnecessary discomfort in summer?

Why Senseless By-laws

Why such senseless by-laws that decree that we can be perfectly safe behind an exterior covering of wired plate glass or a brick or concrete wall, but that nothing in between these extremes can be approved until some association of fire underwriters in the United States assures us that it meets their requirements?

Haven't we enough evidence in our abandoned mining and paper towns, and even in our more permanent cities, that obsolescence is a very serious consideration in building construction? If that is so, we should pay more attention to the salvage value of our structures and to facility in changing them, both externally and internally.

What are we going to do with the millions of acres of land that are only suited to the growing of timber, if we continue to educate our people to believe that lumber has no place in our future building programme?

Concentration Unwise

The movement in the United States for factory-unit-made apartments will concentrate more labor in our large industrial centres and make the rural population more than ever dependent on city products. Is this a wise example for Canada to follow?

We have had rulings given by United States authorities in connection with some of our Canadian projects that no construction should be advocated which will not withstand high water pressure.

If that is so, what can we say about the situation in Western Canada a little over a year ago, when we were advised that, out of about 800 organized municipalities, less than 80 had any water pressure either high or low?

It is very significant that so many fires occur during our coldest spells in winter when the necessity for over-firing heating plants is caused by our failure to provide buildings that will maintain even temperatures indoors without our having to resort to such extreme measures.

In this connection, we can point to a frame structure in Ontario with fire-safe walls and roof, built for less than 9 cents per cubic foot, in which the temperature indoors has never registered lower than 30 deg. above zero Fahr. since the building was built three and a half years ago, and yet that building has no heating plant of any kind, and the temperature outdoors at the site has dropped to 20 deg. below zero.

That kind of building answers many of our house construction problems and also gives us something to think about when we are considering how to store our vegetables, fruits and other produce from the time of harvesting until consumption.

All the essential requirements of fire-safety can, however, be met without producing an ideal Canadian home. Such a home demands that equal attention be given to the prevention of heat waste which, as an economic problem, surpasses even our appalling waste by fire.

Ten Year Revision Urged on U.S. Banks

American bankers were strongly urged to adopt the Canadian system of a decennial legislative review of bank charters, by Henry J. Haas, president of the American Bankers Association at the annual meeting of that body in Los Angeles last week.

He said:

"The question of banking legislation is too technical, too related to all phases of the public welfare, and it deals with matters of too delicate a character to be subjected to the rough and tumble of partisan political or controversial battles rather than a sober discussion of the merits of the case. I think we might well consider the Canadian procedure, where it is provided by law that every ten years the bankers and the legislators shall sit down together, review the banking laws, consider the economic changes that have developed, study the lessons of experience and then amicably work out a program of needed legislation."

NOTICES

Notice is hereby given that License No. 21 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Fireproof-Sprinklered Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 22 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Metropolitan Inter-Insurers to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Leaning on the Government—And What it Costs

BORDER CITIES STAR, Windsor

Even in the Province of Quebec, where government financing has been carried on for years on a highly conservative basis and where surpluses were a regular thing while other Provinces showed deficits, the pinch of three years of depression is providing major problems for premier Taschereau and his colleagues.

Mr. Taschereau has just announced that with five or six exceptions, all schools in the province which have been closed through economic necessity will be reopened within a few days.

"It is not an abnormal condition, especially in view of existing conditions," the Prime Minister explained. "I am afraid, however, that these days the people seem to expect the Government to do everything. We seem to be trending toward Socialism."

"Trending toward Socialism" is putting it mildly. As a matter of fact we have been operating on a Socialistic basis for a long time, even though the traditional parties, Conservative or Liberal, have been in power.

Nor does this apply to Canada particularly; one sees the same thing everywhere. In Britain, for instance, a Conservative Government has sponsored and carried out, in recent years, legislation that would have been regarded as advanced Socialism twenty or thirty years ago.

What worries most conservative students of governmental policy is this: Where is the Socialistic trend going to end? Where is the line to be drawn? How much longer can "the Government" continue to act as Santa Claus? How much higher can the taxes be piled on those still able to pay, in order to permit the continuance of so many public services?

There was a time, not so many years ago, when people expected to look after themselves. Their contacts with the Government were few and far between. They voted at election time and they paid taxes, that was about all.

Now it is altogether different. People expect the Government to provide them with work, medical attention, hospital service, free educational institutions, free text-books, food, shelter, fuel and spending money when they are unemployed, free transportation, and so on.

Not everyone, of course, expects the Government to perform all these tasks, but a surprising number do. And every year the demands are increasing, the tax bill is heavier and the problem of the Government — every Government — is that much greater.

It is not to be wondered at, then, that Premier Taschereau, one of the ablest governmental leaders in Canada, expresses alarm at the prospect. "The people seem to expect the Government to do everything," he says, in a more or less despairing tone. That is just it; instead of trying to work out our own destinies, we want to lean on the Government, quite overlooking the fact that this great and more or less intangible organization is, after all, just ourselves and a lot of other people. The Government, of itself, has no money. It can get money only from the public. The more money the Government spends the more it must demand from the people.

Take the matter of education alone. The amount that Canadian Governments, Provincial and municipal, spend in this way is enormous. It was heavy three decades ago. It continues to climb. No one seems to know where it is going to stop. But it must stop, because the load is too great. There is a growing feeling that the State should provide nothing beyond the common schools, that those who wish collegiate and university training should pay for it themselves, just as they must pay for other luxuries in life. This view may seem radical to some, but there is much to be said for it. And it may become necessary to adopt it.

In any event, an all-around decrease in Government spending is not only desirable, but imperative. People must get into the habit of looking after themselves more and leaning on the Government less.

The Limits of Government

By WINNIPEG FREE PRESS

Within the past few days there have been further developments in the harassing administrative problems on which the various governments in Canada are now incessantly and almost desperately engaged. In British Columbia the Kidd Committee has issued a report calling for extensive amputations in the expenditures of the Province, and at Calgary, only on Tuesday, a delegation including representatives from the western governments requested Mr. Bennett to increase the Federal allowance for unemployment relief and take over responsibility for the unemployed single men. These are only two of the indications appearing now, almost daily, of the whirlpool in which governments in this country are giddily rotating without much idea of where they are going, and without any sort of useful idea as to how they are going to get out of their perilous situation. They have, it is true, a theory, of whose practical application the people are becoming heartily sick—the theory of taxation.

Governments are all increasing the taxes, are all demanding at the beginning of each fiscal year larger contributions from the pockets of the people in order, as the governments put it themselves, to carry on the business of government. Such things as the Kidd Report show that a powerful reaction to a continuously rising tax level is asserting itself among the taxpayers, while the demands made on Mr. Bennett at Calgary demonstrate again the attitude towards the functions of government which has become habitual among government bodies; the persons who asked for larger measures of Federal help being prime ministers, mayors and public officials engaged in the business of expending public funds themselves.

There is not a particle of doubt as to the cause of the greater part of the trouble which is goading the various governments into making their ruinous demands for increased taxes. The explanation is simply that for many years government has been regarded as an omniscient influence whose duty is to interfere as extensively as possible in every phase of life, presumably to effect a betterment of conditions. Every government returned during the past decade has gone into office plastered all over with platform pledges to switch the country away from its troubles and on to the rails which lead to that misty land of political dreams—"better times."

The switch could not be effected without cost. That much at least has now been bitten deeply into the consciousness of the electorates who voted for the types of government we have been getting.

We have not been electing statesmen to the business of government: men who would maintain and strengthen the framework of law which preserves the liberty of the state and the freedom of individual citizens. Statesmanship was not enough; we have been demanding supermen, and the politicians who have been offering themselves for election have offered to perform feats of administrative legerdemain, when they got into office, from which even bona fide supermen would shrink in fright. Human troubles, it has been solemnly affirmed by responsible and elderly politicians, would be satisfactorily tidied up and wiped off by returning them to office. And they have been taken at their word by the democracies to whom they made their extraordinary appeals.

Consequently, government is now mixed up disastrously with the natural activities of the country, and the more a government blunders, and the worse conditions become as the result, the more urgent is the public demand for further governmental interference. Governments are now in business, in finance, and in trade, on their own account. It is impossible to buy or sell anything without doing it over barriers of government interference. Instead of the public intelligence being given free play in the ordinary transactions of business life, government now takes on the job itself, with results which are seen all around, and which themselves comprise the terrible problem of the present times. That Mr. Bennett should be asked to extend further Federal aid to unemployment is perfectly logical—he promised to cure unemployment when he took office; but Mr. Kidd's demand for a slashing of government expenditures in British Columbia is a reaction against the common theory that governments can bring about the golden age if they are allowed to spend sufficient money.

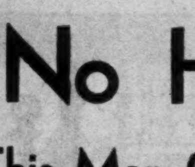
The answer to the problem is strictly up to the people who vote governments into office. We are heading—through extensions of government interference—towards some sort of dictatorship. A government which pledged itself to a minimum of interference would be a wholesome change from the existing superstition about governmental omnicompetence, and which went back to the old notion of freedom for its political ideal. Amid existing conditions such a principle should have the strongest appeal for a democratic community in which the ideals of democracy have not yet been completely buried under the debris produced by governmental interferences.

"No Hunches for Me!"

This Man Gets the Facts and Studies Them Before He Buys Mining Stocks

Robinson is a shrewd business man. In the Good Years, before the Great Depression, he made a tidy little fortune in the retail trade. By giving his business the closest study and attention he made money fast and soon reached the point where he had a surplus of cash available for investment in other enterprises.

Then he decided to invest part of his surplus in Canadian mining securities. But, before taking any action, he consulted his banker. The banker advised him to secure all the facts possible about a mining property before investing in it. He told Robinson about a book that gave a complete record of mining activities in Canada and advised him to send for a copy of that year's edition.



The book the banker recommended was THE FINANCIAL POST SURVEY OF MINES

Robinson secured a copy of the then current edition and, because it proved to be an invaluable guide to him in his mining stock investments, he has bought a new revised copy every year since.

The Financial Post Survey of Mines, 1933, gives information, with comparative figures, on stock market values, production, mining costs, dividends, ore values, financial structure and details of personnel and directorate, on every producing and developing mine in Canada and Newfoundland.

$2.00 a copy

1933
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	Perfect Score	Your Score
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4. Do you watch for pedestrians, particularly children?	10	___
5. Do you slow down at schools, crossings and dangerous intersections?	10	___
6. Do you signal to the car behind when you intend to change your course?	10	___
7. Do you know the feeling of having your car under control?	10	___
8. Do you keep in line when nearing top of hill or a sharp turn?	10	___
9. Do you comply with traffic regulations, signals and signs?	10	___
10. Do you have your car, brakes especially, inspected regularly?	10	___
	100	

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Things happen so quickly in a car. At thirty miles an hour you travel forty-four feet in one second; four feet—often the margin between collision and safety — in one-eleventh of a second. Learn to figure distances and allow yourself ample road-room.

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Last year 33,000 people were killed and 1,000,000 injured in automobile accidents.

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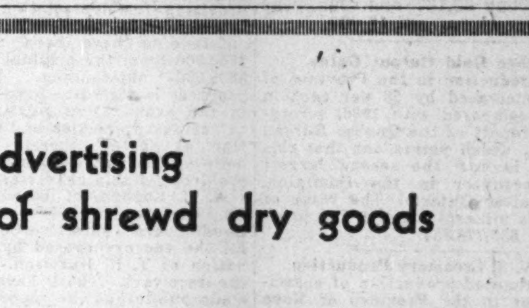

1872 . . . SIXTY YEARS IN CANADA . . . 1932

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

WIDE DISTRIBUTION CERTIFICATES SOLD BY BONDED CORP.

Latest Offering is Also Backed by Oil Royalties

IS SECURITY AMPLE?

Present Dividends Appear Large But Permanence is Matter of Opinion—Not Easily Marketable

Will you please give us your confidential opinion regarding the investment merit of Bonded Royalties, Ltd., stocks?

Bonded Royalties, Ltd., has just announced a change of name from Bonded Royalties to Bonded Corporation. It does not sell its own stock but has disposed of a series of certificates which have behind them oil royalties, purchased mainly in Oklahoma and deposited with the Imperial Trusts Co. of Canada, as the main assets behind certificates sold.

As Bonded Royalties, Ltd., the company was successful in selling entirely $100,000 of participation trust certificates made up of 1,000 $100 certificates. This was an irrevocable trust, all the income received from the royalties deposited with Imperial Trusts Co. of Canada being distributed as received among certificate-holders. The royalties cannot be changed, subtracted from or added to. Revenue will go up or down as production fluctuates in the areas covered by the royalty interest and as prices for the crude oil rises or falls.

Bonded Royalties also sold $100,000 of bonded trustee shares in $10 units which differed from the participation trust certificates in that Imperial Trusts Co. of Canada is obligated to pay only one per cent monthly when revenue is sufficient, any surplus earnings being transferred to a reserve account for the issue. This reserve amount would be used to purchase additional royalty interests from Bonded Royalties, Ltd., with the avowed object of adding revenue-producing certificates to those already held behind the bonded trustee shares. This addition was intended to make up for the decline in revenue on royalties covering properties whose production began to fall off for any reason. This series was all sold.

The next series was called Royalty trust certificates, and the company also has been disposing of $100,000 in units of $10. It also has a reserve of earnings beyond the one per cent monthly so far paid on certificates.

Royalty Fluctuates in Value

The fourth series brought out by the company under its new name of Bonded Corporation is called bonded trust certificates and there are stated to be 100,000 units of these, par value not stated in the announcement.

On the participation trust certificates the company advertises that it has paid $39.08 in 20 months on every $100 invested. This is the issue on which there is no reserve. On the last three issues the advertisement states that "in addition to earning and paying these attractive returns large cash reserves have been built up and are now held by The Imperial Trusts Co. of Canada for the certificate holders."

By the law of most of the oil-producing states of the United States the owner of a property on which wells are drilled has a right to a share of the total production, usually the share being one-eighth. The owner can sell this right in the form of a mineral deed which can be divided into royalty interests and bought and sold on the market. It is these royalty interests or mineral deeds which Bonded Royalties has been acquiring and placing with Imperial Trusts Co. of Canada at a valuation which shows at time of deposit at least 1½ per cent monthly being earned. The company must sell the certificates to recover its own investment and make its profit on the sale. The unsold portion of any royalty interest at any time would be productive of interest for Bonded Corporation until sold.

Revenues Fluctuate

Bonded Corp. continues the arrangement of Bonded Royalties with Imperial Trusts Co. for the latter company to take all royalty interests purchased and look after collection and disbursements of all revenue coming from these royalty interests to purchasers from Bonded Corp. of their bonded trust certificates. That part should be looked after satisfactorily. Current monthly dividends are being paid on these certificates and occasionally they have been paying a bonus.

The monthly dividend payments of one per cent amount to 12 per cent a year and the occasional bonuses have been raising this to a higher figure.

The point rarely given full weight by purchasers of royalty interests in Canada is that these are on properties in the Southern States and the oil royalties represent the right to one-eighth of the production from wells on the property covered. Curtailment schedules have sharply limited the revenue possible from producing wells and the royalty interests, therefore, find their one-eighth interest correspondingly smaller. As wells are a wasting asset and often peter out at from one to three years after opening it is evident that any return must be considered in the first few years to be largely a return of capital. A provision for reinvesting part of the revenue received in other royalties as a reserve to protect the payments on royalty trust or on bonded certificates may be considered as a part provision against this, but without a knowledge of each royalty interest deposited with Imperial Trusts Co. and then a study on the ground of each individual situation, no one could give an adequate opinion other than of the general character given here.

Purchasers should consider that even a 20 per cent return may be speculative on these certificates because that dividend rate will go down as soon as returns fall off.

How Long Do Wells Live?

Many sellers of royalty interests argue that curtailment at from two to seven per cent of potential production is a conservation measure even though it reduces present revenue. These are under the impression that the oil remains below in the sand tapped by the drill until ready for use above ground. There is probably a certain amount of truth in this idea but there may also be some truth in the arguments of those who oppose curtailment of production. The latter claim that when a sand has been tapped, the drill has pierced the rocks above and that when production through pipes is restrained or stopped the oil and gas finds its way around the pipes and a large amount escapes into strata higher up where it will be difficult to reclaim it. Still others claim that this can be and is prevented by the process of cementing in.

However that may be, the present rate of 12 per cent yearly would have to continue until 1941 to return capital invested in a certificate or until 1950 to give an adequate return commensurate with the outlay and the risk involved. The reserve of 6 per cent yearly would be of little avail if depreciation in production of properties proceeded at a rate of 25 per cent or even of 50 per cent.

Bringing in of new wells on a property would help to lengthen life and increase production. So would relief from curtailment but present market conditions are such that it is highly probable these restrictions will have to be enforced for years unless producers are willing to develop a situation where large percentages of crude petroleum could not be given away. So long as potential overproduction on the present monumental scale continues to exist it is not likely that there will be any real improvement in prices.

A good key question for the investor to keep in his mind when considering the merits of these certificates would be the following: "What evidence is there to support the view that the royalty deeds behind these certificates will earn enough to pay an average of 12 per cent yearly for 20 years to come?" Information gleaned to answer such a question would probably answer every other question as well.

What of the Future For Market Leaders?

Moore Corp. Maintained Rate of Profit on Volume During Depression — Rigorous Economies Offset in Some Measure Lower Demand and Prices

Moore Corp. securities fall naturally into the category of stocks which should be scrutinized from time to time with the object of gauging their future possibilities. The company is still maintaining dividends on the 7 per cent "A" and "B" cumulative convertible 7 per cent preference stocks, and though the common dividend was passed on July 2, 1932, it has not been removed from the ranks of stock which have distinct possibilities from the long view standpoint.

Obviously, in the case of this company as in those of others considered in this series, the immediate course of gross or net earnings cannot be judged. Like executives of many other companies the management of Moore Corp. hopes that "the feeling in the air" of growing optimism and courage will later be translated into orders much larger than has been the experience for the last year or two. But events must tell that tale.

Moore Corp. did not feel the influence of the depression for some six months after it was well under way. In fact operations were near the maximum during the first six months of 1930, and had to be in order to deal with the accumulation of unfilled orders. Then volume began gently and imperceptibly to decline in line with the level of general business.

Keeps Even With Business

There are many good reasons to consider operations of a company like Moore Corp. as indicative of the general trend of business. There is hardly a plan for expansion which can be made by any business which does not call for increased purchases of products of a kind made by at least one of the fourteen plants of the company. The company's plants are placed at strategic points in Canada and the United States so that the company in the period of revival is apt to catch the advantage of regional improvement as well as of general improvement from time to time. The plants in Canada are at Toronto, Winnipeg and Vancouver, and those in the United States are situated at Niagara Falls, N.Y., where there are four, Minneapolis, Minn.; Dover, N.H.; Seattle, Wash., Emery and Los Angeles, Calif. As Canada was slower to show the influence of depressed business the company's Canadian plants remained for some time at a higher level of activity than did those in the United States. A period of great activity in business would reverse that process for a time while large business enterprises were stocking up to prevent possible future shortages.

The influence of the depression on this business has been that a great many firms have seen fit to buy from hand to mouth. In 1929 many of the large firms especially would have begun to feel insecure if they had less than several months supply of business forms used in its business. Of late they have been taking chances.

Enters Business Everywhere

Stated briefly, the subsidiaries of Moore Corp. manufacture sales books, manifold books and forms, Flatpakit autographic registers and continuous business forms. Continuous business forms interest large corporations more than small and therefore major recessions in business activity in this department affect the company more. Taking its business as a whole, however, it is the multiplicity of items which creates the demand for the company's products. For instance, there would be as much need for business forms to chronicle the sale of 1,000 items costing $1 as 1,000 items costing $100 each. For example, every cafe check and street railway transfer used has been bought from Moore Corp. or some other company in the business. It stands to gain with improvements in the restaurant business and activity of the railway companies, of motor car companies, and of industries of all kinds as well as in the merchandising of goods and in all the manifold activities of governments. The latter have been very busy during the depression in devising new ways of getting revenue, and every addition to the taxing machinery has meant a greater demand for tax forms.

Has Flexible Organization

As business forms enter into every type of business this company has had to maintain unusually intimate relations with every type of human activity which has an economic significance. To a large degree it does a custom business, studying the needs of each business to chronicle cheaply, conveniently and accurately every important detail of each transaction, and it finds it very advantageous to have members of its staff keeping alive to every change in trend or method anywhere on this continent. The company's business therefore requires a very high type of organization, decentralized as to actual operations so that each unit may be in quick and constant touch with its market and centralized as to financial policy and business research so that the latest machinery, devices and products get tested and the results made available to every plant interested. In other words, the company has aimed at a strict adherence to correct, sound, financial, business and industrial general policy coupled with a supple organization quickly adaptable to every changing need in business.

Many Become One

Moore Corp. as a holding company was only formed in 1928 under Ontario laws. In order to get the general benefits mentioned there came together under the one roof, American Sales Book Co., whose subsidiaries date back to 1884, Pacific Manifolding Book Co., (formerly Pacific Burt Co.) whose subsidiaries date back to 1904 in supplying the needs of U. S. Pacific Coast, Gilman Fanfold Corp. which built its present Niagara Falls plant in 1923, Cosby-Wirth Manifold Book Co., Minneapolis, Moore Business Forms with plant at Brooklyn, N.Y., Niagara Fold, Inc., Niagara Falls, U. P. M. Kidder Press Co. with plant at Dover, N.H., Burt Business Forms, whose Toronto plant took over that part of the business of F. N. Burt & Co. which had to do with sales books, shipping tags and manifold forms, and Western Sales Book Co. with plants at Winnipeg and Vancouver also acquired from F. N. Burt & Co. Moore Research Co., Inc., was formed by Moore Corp. in 1929 to carry on research in connection with the company's business. Its plant is at Niagara Falls, N.Y. It can thus be seen that the company took over established companies in the various districts, and that considerable benefit has come to all through making available various patents, inventions and processes devised. In this department of research and invention the various companies have always been active and continue so.

Earnings Fall

The company's revenues have not been adequate for maintaining dividends at the 1929 rate. The matter of most concern to investors when considering future possibilities of the company and its stocks is that such dividends as have been paid both on preferred and common stock have not interfered at all with the company's strong liquid position and its preparedness to deal with any call made upon it during an upturn in business. Its net profit available for dividends was $1,072,934 in 1929 and only $567,950 in 1931, but in both cases these amounts were ample for preferred dividends. In 1931 the net profit was $93,615 short of paying the common dividends of $313,978, but the net surplus from earnings of previous years still stood at $442,210.

S. J. Moore, president, at the annual meeting on March 30, 1932, said that business of 1931 was 20 per cent below the level of 1930. This decline was due partly to reduced selling prices and partly to smaller orders. He made the very important point to investors that "operating expenses decreased directly in proportion to volume." The percentage of profit was almost identical and it is therefore probable that with a return to a volume equal to that of 1929 or 1930 common dvidends would be made possible again.

Dropped Common Dividend

In 1932 business continued unsatisfactory and the board early in 1932 reduced the common stock from a basis of $1 a share to a basis of 50 cents annually. On July 2 even this payment was abandoned. The company made many other economies in addition to the reduction of 10 per cent made in salaries in August, 1930, and again in October, 1931. The lower volume of business brought intense competition and price cutting by competitors. Judging by the policy and record of previous years business has therefore declined in 1932 but the company, since it still pays preferred dividends, has been able to maintain not only its relative place in the business but with its lower cost of doing business may also have preserved almost the same percentage of profit.

Rapidly Reducing Bonds

Even in 1931 the company earned its bond interest 13½ times. Moore Corp. has no direct bonded indebtedness; American Sales Book Co. 6 per cent first mortgage bonds haxe been reduced from the original issue of $1,000,000 to $567,000; and Pacific Burt Co. 6½ per cent bonds have been reduced from $350,000 to $157,000. They are being rapidly reduced from year to year.

Preferred Earnings Lower

Moore Corp. has outstanding $3,287,900 of 7 per cent preferred "A" stock and $1,667,700 of 7 per cent "B" preferred stock. Both of these stocks are cumulative and convertible into common stock, the "A" stock being convertible into common stock on the basis of four common shares for one "A" share and the "B" stock on the basis of six common shares for one "B" share. Both stocks are entitled to six votes per share. They were exchanged along with the common in the first place for preferred and common stocks of subsidiaries. "B" stock ranks equally with "A" stock except as to convertibility and has the same rights as to dividends and assets. Their earnings positions must therfore be considered together: the combined preferred stocks earned $22.92 a share in 1929, $14.96 a share in 1930 and $11.44 in 1931. Unless larger business develops toward the end of the year it would be expected that the earnings in 1932 would be still less on the preferred.

"Convertible" Feature Examined

As for the 313,970 shares of no par value common stock, earnings were $2.54 a share in 1929, $1.26 a share in 1930 and 70 cents a share in 1930, the dividend rate in these years being $1 a share. It now pays nothing a share but will have to pay $1.25 a share, well covered by earnings, before 16,777 shares of "B" preferred stock will be converted into common stock. That would make the common stock outstanding 414,641 shares and the dividends of $117,439 now paid annually on "B" stock would be available for the new common, almost enough to make up for the increase in common shares.

This new common stock would have to pay $1.75 a share, well supported by earnings, before the 32,879 shares of "A" preferred stock would be converted into 131,516 shares of no par value common stock, making $546,157 no par value common shares in all. In other words, to make all this appear feasible the company would have to make net profits available for dividends of more than $955,775, the exact amount needed to pay $1.75 a share on 546,157 no par value common shares. The company actually made net profits in 1929 of $1,072,934, in 1930 of $742,355 and in 1931 of $567,950.

Stripped for the Fray

This interesting calculation explains why preferred shares both "A" and "B" have remained at comparatively high levels in 1932, "A" being quoted at from 62 to 92 and "B" from 69 to 97. The stocks are non-callable, and buyers can hold forever if they prefer the comparative safety of a preferred stock if at any time current dividends on common stock make it seem more advantageous to exchange. But those who do exchange will make the position of remaining holders safer still.

When it becomes apparent that the revival in trade is well under way the preferred stocks and later on the common stock of this company will warrant careful study by investors. The various companies are well-managed and the board of directors is composed of men with broad national and international experience of banking, finance, business and industry. They are as follows: S. J. Moore, president, E. G. Baker, first vice-president, A. M. Bovier, second vice-president; W. N. McLeod, third vice-president, A. E. Ames, Thomas Bradshaw, A. J. Mitchell, S. G. H. Turner, H. H. Griswold (the last two along with Mr. Bovier living at Elmira, N.Y.), C. W. Colby, Montreal and H. S. Duell, New York City.

The company has no bank loans, and at the end of 1931 its current assets of $2,952,549 were 6.88 times current liabilities of $429,435. Cash was strong at $866,535. Evidently it is stripped and ready for whatever comes in the way of operating and merchandising problems in good or in bad times.

B. C. Packers Preferred

Can you give me any information about B. C. Packers, pref.? Do you think there is any chance of it coming back again? I have had this stock for about five years.

The report for the year ending February 28, 1933, will probably show considerable improvement in the financial position of British Columbia Packers. Instead of the deficit of $1,266,038 in the year ending February 28, 1931, and of $477,292 in the year ending February 29, 1932, the company may be able almost to break even. We cannot say as to that, because there was no provision made for depreciation in 1930, 1931, and 1932 fiscal years, therefore, it may be that in the current year a considerable write-off may be made.

This improvement does not necessarily mean something for the 7 per cent preference stock, but it is more encouraging news than the preference shareholders have had for some years in that it indicates that bank loans have almost been eliminated. The company has entirely disposed of the excess inventories of the 1932 pack, but it undoubtedly took a loss on sales as surplus was sold at low prices.

The present pack is larger than last year but, still moderate. It is understood that it is all sold ahead of time for better prices than have lately been obtained.

It must be remembered that as of February 29, 1932, the accumulated deficit of the company amounted to $1,659,760 and this will have to be disposed of in some way before preferred dividends can be resumed. There was also a deficiency in working capital of $392,805 and the company will probably attempt to make its liquid position much stronger before resulting dividends. This may take some years.

Superior Oil Royalties

Will you give me any information you can on Superior Oil Royalties which they are selling in our town?

The Financial Post cannot give a complete report on such a company as Superior Oil Royalties, because any company dealing in oil royalties, or selling stock based on the purchase of oil royalties, will have its holdings in all probability in the Southern States. The purchase of such oil royalties is a matter for specialists entirely familiar with the history of the various districts.

When these buy royalty interests covering property on which there are producing wells, the actual present revenue on the production permitted by curtailment schedules is known. Every producing well must be considered as a wasting property and therefore anyone who purchases either royalty interests, or stock of a company which trades in them, must consider that any dividends received are in great part return of capital. Many wells peter out after one or two years, even some of the large ones. There are some districts where wells have had a long life and it is hoped by many that the curtailment schedules will lengthen the life. The purchase of royalty interests or a part of a royalty interest by anyone in Canada should be made only after a careful study of the actual situation on the spot. Otherwise, he is simply backing his opinion as to the judgment and reputation of the individual or company with which he becomes associated.

Abitibi Power Bonds

We should like your recommendation on Abitibi Power and Paper Company 5 per cent bonds due 1953. What is the outlook there and should they be sold?

Abitibi Power & Paper Co. is now being managed by a receiver, G. T. Clarkson, operating on behalf of bondholders. Until the receiver, now in a position to examine all the facts with reference to the interests of bondholders, makes an official statement one cannot speak with knowledge about the prospects of the bonds, of the trade creditors who have also appointed a liquidator—F. C. Clarkson—or of the junior securities.

The bondholders protective committee is understood to be contemplating the preparation of a reorganization plan on the basis of a report to be received from the receiver-manager. It is understood that arrangements have been made with the bank whereby the contingent liabilities are looked after but this makes bank loans so high again that any reorganization plan would find the bankers sitting in with important things to say. The almost total demoralization of the newsprint industry in Canada because of too great productive capacity and of dwindling consumption in the last few years, has led to large-scale plans for mergers of large units in the industry and this is also an element which makes the future uncertain.

Abitibi Preferred

I would like to enquire if Abitibi P. and P. preferred is a stock in good standing at the present time. We are considering buying some of it for speculation but here in New Jersey we do not hear so much of the company.

Abitibi Pulp and Paper preferred stock is not in good standing at the present time, as more than $48,000,000 of bonds which come ahead of it are in default and the company is in receivership. A bondholders' protective committee has been formed and a preferred shareholders' protective committee has also been formed. The preferred stock will not be attractive until the present serious position of the newsprint industry has been alleviated in some way and until the final reorganization of the Abitibi Power and Paper Co. has taken place to the satisfaction of bondholders.

Ship Eels to Germany

Two carloads of eels, comprising some 250,000 left Montreal for Germany, via the S. S. Montrose, the other day. These eels were captured by fishermen in the vicinity of Bellechasse and Lotbiniere and assembled for initial shipment at Quebec. Germany is an important market for eels, and more than thirty carloads left St. Lawrence ports last season for the Republic.

Re-open Aylesford Canning Plant

The United Fruit Company expects to re-open its canning plant at Aylesford, N.S., early in October, with a production double that of last year.

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Back of most of a woman's purchases are the likes and preferences of a husband and family

That is why more and more advertisers are using Maclean's to reach all members of the family

MAYBE it is the woman who does the most of the buying. Someone certainly has to make the actual purchase. But that does not mean that she alone decides which brand she buys.

No, indeed. Just like the purchasing agent of a responsible manufacturer, the woman buys to certain specifications which have been previously laid down by her husband and family.

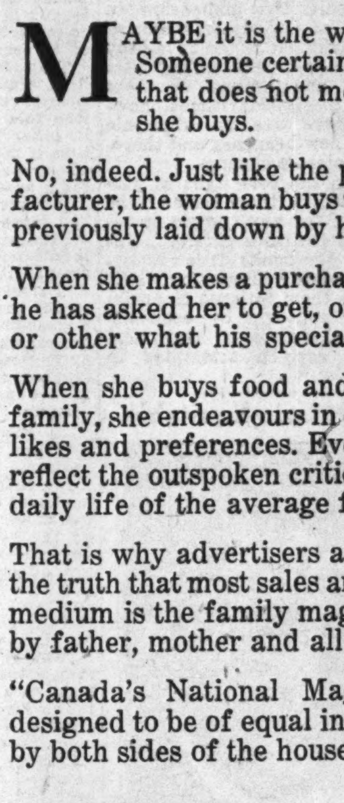
When she makes a purchase for her husband, she either buys what he has asked her to get, or else she has made certain in some way or other what his special preference is in that particular line.

When she buys food and other household requirements for the family, she endeavours in every instance to cater to their individual likes and preferences. Even many of her own personal purchases reflect the outspoken criticism and approval which are part of the daily life of the average family.

That is why advertisers are giving more and more recognition to the truth that most sales are made in the home — and that the best medium is the family magazine which is read with equal interest by father, mother and all the other members of the family.

"Canada's National Magazine" is a *family magazine*. It is designed to be of equal interest to both men and women. It is read by both sides of the house, and by all members of the family.

* * *



RECENT surveys show that on the average each copy of Maclean's is read by 2.1 women and 1.6 men, which means that each issue is seen by more than 367,000 women, 280,000 men to say nothing of the near-adult members of the more than 175,000 families who regularly buy this magazine.

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Canada's National Magazine

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Bank Chat

Canadian Bank of Commerce announces the following changes in staff and branches:

J. TAYLOR, accountant at Havana, Cuba, has been appointed assistant manager at that branch.

W. E. TEMPLE, formerly manager at St. Hubert Street, Montreal, has been appointed manager at St. Henri, Montreal.

MEXICO CITY—The name of the street on which this branch is situated has been changed to 46-48 Venustiano Carranza.

C. W. JONES, formerly assistant manager of the Dominion Bank at Vancouver, B.C., has been appointed manager at Calgary, Alta.

JOHN R. BAIRD, formerly manager of the Bank of Nova Scotia, East Florenceville, N.B., has been transferred to Woodstock, N.B.

E. G. MOSHER, formerly of Gagetown has been appointed manager of the Bank of Nova Scotia at East Florenceville, N.B.

Small Loan Company Established in Maritimes

The first industrial banking company to operate in the Maritime Provinces is announced in the formation of Home Loan Corporation, Limited, which has been granted Letters Patent under the New Brunswick Companies Act.

Home Loan Corp. will establish its head office in Moncton and open branches in Saint John, Halifax, Sydney and Charlottetown.

Industrial banking consists of the making of loans to salaried people and others who, from time to time, require to borrow money for legitimate purposes. It is stated that the new company will loan from $25 to $300 repayable on a monthly payment plan spread over a year.

Weekly Bank Clearings

Eastern Cities

	Oct. 8, 1931	Oct. 6, 1932
Halifax	$ 3,482,042	$ 2,955,846
Saint John	2,365,220	1,723,746
Sherbrooke	767,453	653,196
Quebec	5,804,590	5,297,177
Ottawa	7,481,507	4,834,974
Montreal	122,706,708	108,314,158
Kingston	814,066	767,157
Peterborough	709,553	741,157
Toronto	109,998,959	95,835,919
Hamilton	5,936,461	4,918,146
Kitchener	1,544,142	1,028,022
Brantford	1,287,683	1,014,199
London	3,391,491	3,018,385
Windsor	2,926,437	2,131,853
Sarnia	546,607	408,003
Sudbury	689,212	526,678

Western Cities

	Oct. 8, 1931	Oct. 6, 1932
Fort William	$ 821,177	$ 712,499
Winnipeg	53,110,659	61,801,105
Brandon	486,339	487,868
Regina	4,375,386	6,045,338
Moose Jaw	777,756	762,770
Prince Albert	377,006	336,962
Edmonton	4,651,832	5,987,197
Calgary	6,120,282	6,627,827
Medicine Hat	330,978	294,642
Lethbridge	446,281	410,271
New Westminster	598,389	513,023
Vancouver	16,026,075	14,727,828
Victoria	2,443,322	1,782,005

Strength - Stability - Service
Assurances In Force (Dec. 31, 1931)...$513,379,937.00
Assets $125,848,128.74
Surplus Funds and Contingency Reserves $12,412,836.25
MUTUAL LIFE
ASSURANCE COMPANY
OF CANADA
The Mutual Life of Canada
Established 1869 Head Office: WATERLOO, ONT.
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

Current Events in Banking World

Babson Raises Furore By Passing Opinion On Maritime Banking

East Suffers from Restricted Banking Policies, He Avers

OFFICIALS REPLY

No Banking Discrimination Against Maritimes or Any Other Economic Area, They Say

The Maritimes are suffering from restricted banking policies, Roger W. Babson, well-known United States statistician, is reported to have stated in the course of an interview in Halifax, N.S., last week. What exactly this eminent authority on business meant when he uttered these telling words is problematical but the feeling among head office officials of Canadian banks is that Mr. Babson has been led or has blundered into an admission of his lack of knowledge of the local situation.

What Mr. Babson said as reported by the Halifax Chronicle was that "the businesss of Nova Scotia needs more liberal banking facilities in order to survive and prosper."

It was suggested to The Financial Post that either Mr. Babson has been grossly misquoted or else he was being unwittingly used as the mouthpiece of a faction in Canadian business life directly opposed to Canada's immense branch banking system with its so-called centralized control. There was also a definite feeling that Mr. Babson would do well to cross the border again and take the beam out of the eye of his own country's banking system.

The cry of "restricted banking policies" has long been heard from the Prairie Provinces and has become a large plank in the platform of the western farmers' political party, but few complaints from the Maritime Provinces have filtered through to larger centres. Bankers state, however, that there is a faction in the Maritimes, as well as in other parts of Canada, who are strongly opposed to branch banking as it now operates under the delusion that banking facilities ought to be improved and that unsympathetic big business interests in Ontario and Quebec control the distribution of credit through the country.

Five Active Banks

Banking business in the Maritimes is conducted chiefly by five banks, although another, the Dominion Bank, has an office in Saint John, N.B. These five banks have 265 offices throughout the country, 138 in Nova Scotia, 100 in New Brunswick and 28 on Prince Edward Island, thus leaving extremely few villages, towns or cities without adequate banking facilities. In all the larger centres more than one bank is represented so that the admitted competition in banking as now conducted comes into operation to the benefit of depositor and borrower alike.

The following table shows the banks with branches in the Maritime Provinces and the distribution of these branches between the three provinces:

	N.S.	N.B.	P.E.I.	Total
Royal	62	22	6	90
Nova Scotia	41	38	9	88
C. B. of C.	21	7	7	35
B. of M.	14	13	1	28
B. Prov. du C.	..	19	5	24
Dominion	..	1	..	1
	138	100	28	266

Conducted From Within

Bankers interviewed by The Financial Post, however, were emphatic that Maritime business was conducted mainly from within that area and with a sympathy for local conditions which is a product of an earnest interest in its welfare. It was pointed out by an executive of one bank in close touch with the Maritimes that the local manager is directly resonsible for at least 90 per cent of all loans made, this being true throughout the whole of Canada and particularly so in country districts where the manager is not in direct touch with a local district head office.

It was also stated that a further five per cent come before the district supervisor who passes judgment on them. Not more than 5 per cent of loan applications, therefore, leave the area to be referred to head office for consideration. The large number of Maritime-born men who are at present in executive positions in the head offices of Canada's largest banks would hardly suggest that this part of the country would then be discriminated against in the matter of extension of credit.

Branch managers in the Maritimes are mostly natives of that area, one bank executive told The Financial Post and this statement was confirmed by several others. When banks are increasing their staffs a large number of the new men come from the Maritimes, it was stated, and it is seldom necessary to move staff members from other parts of Canada into this area.

In light of the position existing in other parts of the Dominion, particularly in the West and British Columbia, the Maritimes, with the head office of the Bank of Nova Scotia in Halifax, with practically all of the business of the other banks conducted by local supervisors, and with the managers mainly natives of the district, have little cause for complaint.

Based on the population as recorded by the 1931 census and the number of branches at August 31, 1932, there was one branch for every 3,800 of population throughout the Maritime provinces, making this economic area the most sparsely banked one in Canada. The ratio, however, is not unduly different from that in other parts of Canada. The following table shows branches and population per branch in the five economic areas:

	Branches At Aug. 31, 1932	Pop. per Branch
Maritimes	266	3,800
Quebec	1,136	2,530
Ontario	1,369	2,510
Prairies	841	2,800
B.C.	214	3,240

A number of seemingly valid reasons for this situation can be advanced.

First, with only five active banks in the area as compared with seven to ten in others, costly duplication is reduced to some extent. Secondly, 1931 census returns reveal that, with the exception of the Prairie Provinces, the Maritimes have the greatest proportion of rural population, this tending to reduce the number of branches through lack of suitable locations.

Distribution of Population (1931 Census)

	Rural %	Urban %
Maritimes	62.2	37.8
Quebec	36.9	63.1
Ontario	38.9	61.1
Prairies	62.4	37.6
British Columbia	43.1	56.9

Lower Debts Per Branch

Further, bank debits of the Maritime area are definitely smaller per branch than in any other area. Partial reason for this can be found in the large amounts representing stock and grain transactions which pass through Toronto, Montreal and Winnipeg and which are drawn from all parts of Canada without those parts getting anything in return. However, no such large volume passes through British Columbia points yet the debits per branch in this area are almost as large as in Ontario and Quebec.

	Bank Debits 1931	Debits Per Branch
Maritimes	$ 652,543,469	$2,453,171
Quebec	10,550,072,979	9,287,036
Ontario	13,376,846,354	9,771,250
Prairies	5,201,211,730	6,184,556
British Columbia	1,805,799,730	8,438,316

With regard to the number of branches, the situation which exists in the Maritimes and in other parts of Canada is not parallel, one banker pointed out. Expansion of the system has taken place in the Maritimes over a long number of years and during a time when the opening of a new branch entailed more complications than it does today, he said. Business expansion and population have been practically at a standstill there for a number of years and naturally no new branches have been opened. In other parts of Canada expansion has been rapid and it has been good policy to enter districts even at a loss to assure a secure position when business had expanded sufficiently to enable a profit to be made.

Undoubtedly this expansion in some parts of Canada was carried to excess and most banks have been busy for the past year cutting costs by closing down many of these branches. In the Maritimes, however, as there was no wholesale opening of new branches and therefore no wholesale closing.

Viewed in the cold light of statistics, therefore, there seems to be little reason for any complaint regarding the facilities offered. Unfortunately the banks have consistently opposed any suggestion which would force them to issue financial statements split up by economic areas and therefore no statistical comparison can be attempted in this regard.

Bennett Takes Stand For Sound Money

"We will stand for sound money," declared Rt. Hon. R. B. Bennett in the House of Commons on October 10, referring to the coming World Economic Conference. Canada did not propose to be in the position of Australia, he said, the bonds of which had fallen to one-half their value on the New York market. What would have been the position of Canada the Prime Minister asked, if Canadian bonds had acted similarly in the United States.

"There can be no cheap nostrums and quack remedies in the matter of money," he said. "Canada's debts abroad must be met in the terms of the contracts, in gold. We cannot pay these debts with inflated pieces of paper. We cannot pay them with the printing press."

Joins Ontario Equitable

GORDON RUTLEDGE

for the past twelve years manager of The Financial Post, whose appointment as manager of the Toronto branch of the Ontario Equitable Life is announced.

Mr. Rutledge was connected with the MacLean Publishing Co. Ltd. for twenty years. In this period he was successively representative of business papers in Montreal, manager of the Winnipeg office, and, from 1919, manager of The Financial Post.

REVISE BANK ACT AT NEXT SESSION IS PRESENT PLAN

Await World Economic Conference Before Taking Action

From Our Own Correspondent

MONTREAL.—Postponement for a year of the Bank Act revision, as announced in the Speech from the Throne at the opening of Parliament, is expected to call forth comment from the agrarian group in the House. Normally the Act comes up for revision every ten years.

The reason given for the postponement is that the administration desires to await the outcome of the proposed International Economic Conference called by Premier Ramsay Macdonald. The date of the opening of that parley depends almost entirely upon the result of the presidential election in the United States next month. Should Hoover be re-elected, the conference is likely to meet early in December, but should a new administration be headed by Roosevelt, the conference could not be held before the inauguration of the new president in March of next year.

REDISCOUNT BANK FAVORED BY KING

Attacks Government for Postponing Revision of Bank Act

"Bank credits at a reasonable rate of interest is one of the prime necessities of economic progress and a central bank of rediscount is something that should be given immediate consideration," said Rt. Hon. W. L. Mackenzie King in the course of an attack on the fiscal policies of the Government in the House of Commons on October 10.

Mr King hotly assailed Rt. Hon. R. B. Bennett for the postponement of revision of the Bank Act until after the World Economic Conference. "I deplore the Government's obvious endeavor," he said, "by postponing the revision of the Bank Act, to avoid immediate consideration by Parliament of the all important subjects of banking, credit and currency."

He would hope for success at the World Economic Conference, Mr. King said, but he doubted whether this conference could throw any light on monetary problems when a conference of nations belonging to one family had failed. In any case, he said, there was no excuse for the Government of Canada to delay action on its own problems.

"It is not fair to the banks to delay revision of the Act," Mr. King said. "Furthermore such delay gives rise to suspicion as to the motives of the Government for postponing action." He believed that the Canadian banking system was one of the finest in the world but it was not perfect.

In reply, Mr. Bennett said that in view of the fact that the agenda for the World Economic Conference was now being published and, while no definite date had been set, the conference would be held soon, the Government had decided that Canada should have the benefit of the conclusions reached at this important conference before dealing with the ten year extension of the bank charters

Insurance Inklings

J. D. WOODS, of Toronto, has been elected to fill the vacancy on the board of the Gore District Mutual Fire Insurance Co. of Galt, Ont., caused by the death of W. K. George. Mr. Woods is a director of the Bank of Toronto, vice-president and managing director of York Knitting Mills and president of Zimmerknit Co.

N. A. VETTER has been appointed Twin City representative of the Dominion Life Assurance Co.

J. R. NICHOLSON of Regina has been appointed manager for the Great West Life Assurance Co. at Victoria. Mr. Nicholson has had a fine record as a personal producer in Saskatchewan for many years.

ASHLEY W. McCALLUM has been appointed manager for the Alberta Southern division of the Confederation Life Association. He will have headquarters in Calgary.

London Life and Mutual Join Am. Life Convention

London Life Assurance Co. and Mutual Life Assurance Co. of Canada were elected to membership in the American Life Convention at the annual convention of this organization, held in Toronto last week.

There are now six Canadian companies members of this important body which has a total membership of about 140 companies. Other Canadian members are the Canada Life, Sun Life, Confederation Life and Imperial Life.

Insurance for Buyer and Seller

Life Insurance Men Warn Insurers, Agents Against Switching Policies

"Twister" Gets Short Shift at American Life Convention

EVILS ANALYZED

A. Gordon Ramsay Finds Little Switching Between Companies in Canada—Big Problem

Strong words of caution to life insurance policyholders against "switching" their policies from one company to another, and bitter words of condemnation for the underwriters or "twister" as he is called who encourages the practice were heard at the annual meeting of the American Life Convention meeting at Toronto last week.

Artfully concealed under the heading "The present situation—and its demands on the Agency Officer," the Friday morning session of the convention was devoted almost entirely to a discussion of the "twisting" problem, led off by a fine survey of "Today's Agency Problems" by A. Gordon Ramsay, assistant general manager, Canada Life Assurance Co.

Difficult to Distinguish

The twisting problem in Canada according to Mr. Ramsay was largely a matter of trying to distinguish between "the legitimate replacement of a new policy for an old policy in our company (replacement which has been the only alternative to the disappearance of a policyholder from our books and one involving much effort on the part of the agent concerned) and the replacement brought about by the agent for the purpose of securing a commission." It is a problem which cannot be dealt with arbitrarily and involves many cases requiring investigation and sympathetic consideration, he said.

"So far as the issuing of policies to replace those of other companies is concerned, we feel that in Canada we have the situation well in hand. For many years we have in our application asked if policy applied for was intended to replace a policy with our own or any other company, and more recently we have amplified this question to read, 'Is this assurance intended to replace any insurance held by you in this or any other company, or to replace a policy which has lapsed or been surrendered?'

"This enlarged question, providing it is truthfuly answered, of course, enables us to catch cases where a loop-hole existed in the old question. In other words, under the old question, if the policy had previously lapsed or been surrendered, the agent could answer 'No' and yet be technically correct, because the policy that had lapsed or been surrendered was of course, no longer in force, and therefore, not held in his or any other company.

"Furthermore, in our agent's report on the back of the application we are now asking the following question 'Is the premium on this policy to be paid by any cash derived from any change in plan or any tranaction affecting an old policy in this or any other company?

Discuss With Competitor

"When one of these questions is answered in the affirmative (and may I say that I believe they are seldom answered untruthfully) it is our custom to delay issuance until our friends of the other company have had an opportunity to investigate on the ground and discuss with us. Occasionally this practice causes irritation to our representative, particularly when the circumstances in his mind are unusual, but our stand has been firm.

"The relations between the companies doing business in Canada have been such that a prompt and sympathetic investigation of any complaint from one to another has been for many years taken for granted.

"Among the companies doing business in Canada we have been able to keep the brake on the temptation to the agent of one company to recommend changing, say, a 20-year endowment, in another company, to ordinary life in order to sell a further policy in his own company. This has been done by a pretty general recognition of the principle that even though an agent feels that the circumstances of a policyholder suggest the desirability of changing a policy to one with a lower premium, any further protection bought with the amount by which his accustomed payments to the original company are reduced, should be taken with that other company. This seems to be the only fair and reasonable viewpoint and has, I believe, rebounded to the credit of life insurance in this country."

Don't Switch Companies

More vehement was Lee J. Dougherty, president of the Guaranty Life Insurance Co., Devenport, Iowa.

"Let me repeat the statement," he said, "a statement none will question — that no man can change his policy from one company to another without a loss resulting to the policyholder, the company, and the agent. We have found in our company that it takes from seven to nine years to make any profit from our business and if our own agents twist our business, or agents of other companies twist our business it will only be a question of time until the habit will grow to such an extent that large amounts of business will be rewritten at a loss to the company, and a loss to the policyholders, and if the agent could only realize it, at a most serious loss to himself.

"A twister, in the argot of life insurance, has been defined as an agent who seeks by foul means to induce a man to give up a policy he now has for one the twister wants to sell. He is held in disrepute by honest life insurance representatives. He is unclean—a leper. He is not to be trusted. He is shunned. His purpose and design are to discredit his competitor and make a few questionable dollars in commission for himself. And this he does by tearing down his prospect's property and causing him a loss. All this bunkum about one company being better than another, having lower rates and allowing higher commissions, should not and will not be used by an honest life insurance man. If we, through our respective company managers can not satisfactorily handle this bane of twisting, then legislation must be enacted to take care of it. Are we ready to confes failure?

Two Kinds of Twisting

"As I have tried to point out there are two kinds of twisting, equally poisonous, twisting of agents and twisting of business. Twisting of agents results in twisting of business. That follows logically. Then there is the twisting of the company's own business and the twisting of the competitor's business. We can not expect an agent to cease twisting his own company's business unless the officials of his company make it unprofitable for him to do so. We can not expect agents to be ethical toward competing companies until officials refuse to accept business having earmarks of having been twisted in any manner. Surely a company can control its own transactions.

'I am neither an alarmist nor a pessimist, but I believe agents who never resorted to twisting and misrepresenting before, are doing so now. Many agents, in the past safe and sound, are acquiring the habit of reflecting by innuendo upon the stability of other companies than their own, and employing methods that are deplorable, to say the least. I have reached the conclusion that anti-twisting laws of the states must be made stronger and the insurance commissioners, at their next meeting, should pass uniform anti-twisting laws with sharp teeth in them.

"Legal reserve life insurance has gone through a severe test. It has come through triumphantly, its prestige increased. No other form of investment has equalled life insurance in the field of safe investment. The record made during the period of depression has steadied the confidence of the people in life insurance and has placed it in a pre-eminent position as a safe, sound and sure investment. The watchword of every agent should be: 'Your life insurance is an asset to which you should hold fast. It is the best property you own, solid in value during periods of depression as well as during times of prosperity. Stock markets may nose dive or skyrocket, but your policy values remain the same. Every payment you make increases the value of your policy. Do not allow it to lapse or any one to talk you out of it. Do not borrow on your insurance unless it becomes absolutely necessary. Mortgages on policies are dangerous things and should not be placed on contracts unless extreme necessity warrants it.

Covert Whispering Scored at Convention

Malicious whisperings against competitive life insurance companies were bitterly condemned by Lee J. Dougherty, president, Guaranty Life Insurance Co. of Davenport, Iowa, before the American Life Convention at Toronto last week.

He said:

"It is very evident to me that not alone executives, but all honest life insurance men are earnestly concerning themselves with the malicious whisperings about competitive companies. To the right thinking man there is something about this method that is repelling. The thoughtless representative who goes about gossiping about statements of other companies attacks the standing of all legal reserve companies and contributes to unrest and doubt that are bound to reflect on all. By this sort of thing one cannot hurt the other fellow without also hurting himself."

Westchester and Reciprocals Registered at Ottawa

Certificates of registry have been issued by the federal insurance department at Ottawa to Fireproof Sprinklered Underwriters and the Metropolitan Inter-Insurers authorizing them to transact in Canada fire insurance and allied coverages. The chief Canadian agent for both these reciprocal exchanges is V. W. Gerrish of Toronto.

Westchester Fire Insurance Co. has also been granted a certificate of registry. This is a new company formed by the merger of the old company of the same name and the United States Merchants and Shippers Insurance Co. The certificate includes permission to transact fire, earthquake, explosion, hail, tornado, inland transportation, sprinkler leakage, automobile and personal property damage.

J. W. Tatley is the company's chief Canadian agent.

Three Canadians Feature Research Bureau Meeting

Canadians figure largely in the programme of the joint annual meeting of the Association of Life Agency Officers and the Life Insurance Sales Research Bureau, to meet at Chicago on November 1 for a three-day session.

At the opening session Charles D. Devlin, general superintendent of agencies of the Confederation Life will preside and the following morning V. R. Smith, general manager and actuary of the Confederation Life will summarize what has been developed during the morning discussion by a concluding address on "Management—a Co-operative Responsibility."

On Thursday, Canada will again be represented by J. G. Stephenson, superintendent of agencies of the London Life who will give an address on "Improving Production Today."

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IF so, here is what one of our new Monthly Investor's Bonds will do for you:
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(References made to dividends are on the present London Life scale and are not to be taken as guaranteed.)
3. In a London Life Monthly Investor's Bond you possess a guaranteed investment with all the security of this Company back of it. It is not subject to market fluctuations or general business slumps.
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The man who is saving to "get somewhere" will find in this new bond the ideal investment, combining safety with all the advantages of insurance, and paid for by small monthly amounts. Such is the service offered exclusively by this Company.
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HEAD OFFICE - LONDON, CANADA

IMPROVED DEMAND CANADIAN WHEAT STILL MAINTAINED

Heavy Selling Pressure Responsible for Low Price Levels

CHICAGO WEAKENS

But Canadian Wheat Still Holds Stage as Best Buy —New Duty Soon

From Our Own Correspondent

WINNIPEG.—With wheat prices sinking to new lows, Canada's export business in wheat, measured in bushels, continues to expand. Of fifteen million bushels shipped in world trade last week, more than ten million bushels went from North America, and most of that was Canadian wheat. World shipments are higher than in recent weeks, but this is offset by the fact that stock afloat continues to rise, indicating that imported wheat is not being consumed by importing countries as fast as it is being shipped. On the other hand, there are no accumulated port stocks of such wheat, corresponding to those which existed a year ago, especially in England, when English millers, taking advantage of cheap Russian wheat then offered, were laying in heavy supplies.

It is difficult however to find a significant reason for the gradual loss in wheat values which has been in progress during the past week, and which has carried prices to new lows in the history of the Winnipeg market.

A very large export business had been in progress at somewhat higher levels, and appeared likely to continue for some months yet, and prices were so extremely low that no recession seemed likely to stimulate any more business. At the same time some slackening in the pressure of the marketing of new wheat resulted both from some check to threshing operations and from the tendency of farmers to hold wheat on the farms in the hope of better prices later on.

Heavy Pressure on Market

Earlier in the week there was some slackening in the purchase of wheat for export, as earlier buying had somewhat outrun the needs for immediate shipping. At the same time there was hardly the let up in selling pressure that would have been expected from the decline in daily deliveries to elevators, for there was a certain lag in sales to be overcome, due to considerable quantities of wheat having been held in elevators by farmers until the period of free storage should have passed and also to quantities that had been accumulated by municipalities and by the Saskatchewan Relief Commission, and in the selling of which there was a certain inevitable delay.

Some of the weakness in Winnipeg was a reflection of conditions in Chicago, where lack of confidence caused some sharp declines. The recessions at Chicago left the market here still considerably above that in Winnipeg, with United States prices still above world parity and levels that would permit any considerable volume of export. So long as United States markets remain in that condition there would seem to be no good reason why they should be joined so closely with Winnipeg in up or down fluctuations.

It is customary to speak of the United States Farm Board as being no longer a factor in the wheat market, and indeed, members of the Board have taunted the regular trade with the fact that prices have not improved, as was predicted would be the case when the Farm Board ceased to interfere. But if the Farm Board is not active, its accumulations of wheat have not yet been disposed of, as there are at least 50,000,000 bushels on hand designed to be disposed of through the Red Cross in relief.

Chinese Situation

There is talk of a sale to China of fifteen million bushels of wheat on long credit terms. While the transaction would probably be handled by the Farm Board, should it be consummated, the money to finance it would come from the Reconstruction Finance Corporation, and the wheat would have to be purchased on the open market. It would probably come from the Pacific States, where marketing of wheat has always been to a large extent dependent upon an outlet for flour in the Orient.

Whether Canada will sell any considerable quantity of wheat to China this year is yet to be determined. Up to two years ago the imports of wheat into China were overwhelmingly in the shape of flour from the United States. Canada has contributed to an important extent only when we have had large quantities of low grade wheat to sell mainly as flour at very low prices. During the past two years mills at Shanghai have increased their percentage of business by importing wheat and mainly Australian wheat.

French and German Plight

France has been offering flour in Great Britain at extremely low prices. This is an indication, not so much that France has produced a surplus over a year's requirements, as is probably the case, but of the fact that French millers are anxious to export flour so as to earn the right to import small quantities of hard wheat in order to strengthen their milling mixtures. In Germany the corresponding process is to export wheat, instead of flour, and to replace it by imported hard wheat, usually Canadian; Italian purchases of imported wheat are small, but the need for durum imports is making itself felt.

Increasing attention is being paid to crop prospects in the southern hemisphere, which both in Australia and in the Argentine appear to be fairly good. But it will be February before they play much part in supplying British and European needs, and until that time at least the preponderance of sales in the world market should continue to be of Canadian wheat.

Wheat Held on Farms

Throughout Western Canada farmers are holding their wheat on farms to a quite remarkable extent. From the standpoint of the market this is entirely sound, as it gives a better chance to digest the supplies now available. In view of the pressure on farmers for money this holding policy is somewhat unexpected, but creditors, as a rule hesitate to press any one to sell at prevailing price levels.

The new British duty on foreign wheat is expected to become effective within a few days. It will be difficult to observe any effect at first except probably with respect to Argentine wheat, as neither Russia nor the United States are offering any quantities of wheat at present on the British market. But there is a possibility that it, or measures founded on it, will interfere with the dumping of German wheat and French flour in Great Britain. In the past it has been the British farmer who chiefly objected to such practices, but as he is now assured of a guaranteed minimum price for his wheat it is the British treasury which must make up any deficiencies in price to the farmer, which suffers from any decline in prices consequent upon such imports, and which may be moved to some action to check them.

In the long run the duty is expected to have some adverse effect on the price of United States wheat, but under present conditions, when the United States is manifesting no desire to export to Great Britain, it can hardly have an important influence there.

Annuities Were Invented To Evade Usury Laws

Church Ruled That Any Form of Loaning Money for Profit Was Usury

Church laws against usury were responsible for the creation of annuities, according to a story in the "History of Life Insurance and Life Insurance Technique," by Dr. Heinrich Braun. The Bulletin of the Union Central Insurance Co. paraphrases it thus:

Imagine yourself a Florentine of 1550, with the equivalent of $10,000 in your pocket. Imagine, too, that you want to retire and are seeking a plan whereby you can achieve this ambition.

The first thing, naturally, is to look about for some investment that will provide income for necessities for the balance of your life. Immediately you find yourself at an impasse. Church laws prohibit interest. Any form of lending which yields a profit to the lender is usury. Money is not allowed to work for its master. It is a medium of exchange; investment for profit is a crime. Hoarding is the only way to keep capital intact for retirement purposes. What is left for you to do, since investment for interest is a sin, considered "the chiefest cause of the greatest misery in the land?"

Thousands were faced with exactly that problem and the same seemingly insurmountable obstacles in the Sixteenth Century. Retirement could only be secure if one had a huge fortune and had no fear of exhausting the principal during his lifetime.

Establishing Legality

Those were the days of action, however, and men found ways to get their wishes fulfilled. It took much brain-cudgeling, but the idea of annuities gradually took form. The next step was to establish the legality of annuities. In 1554, Dr. Thomas Wilson, defending annuities against claims that they broke church laws, wrote:

"A corporation taketh a £100 of a man to give him eight in the £100 during his life, without restitution of the principal. It is no usurie, for that there is no lending, but a sale forever of so much rent for so much money. Likewise it is, if a private man hath a thousand pounds lying by him, and demandeth for his life and his wife's life, a £100 by the yeere, and never demand the principal. It is a bargaine and sale, and no usurie, for that the principal is not to be restored againe et anie time. And therefore no lending can be presupposed."

Traffic in annuities was a rushing business in Holland almost as soon as they were introduced. Annuities were bought and sold with great frequency. Hans would take his savings and buy an annuity. After a year or two he might decide to open a little shop since an active life had made retirement boresome. But his only money was the periodical annuity payment. Where could he obtain capital for his new venture?

His cobbler is past middle age and has accumulated a modest amount of wealth. So Hans goes to the cobbler and offers to sell all rights to his annuity for a lump sum. The annuity payments will then be made to the cobbler, and Hans has the money to open his shop.

Death Frequently Unreported

Frequently these annuities changed hands many times, being paid in succession to a number of different persons. Naturally the original annuitant for whose life the annuity was payable, sometimes was lost track of in the chain of annuitants. Often he died and the person then collecting the annuity neglected to inform the company paying the annuity. In fact this practice became so common, and worked such financial damage to annuity companies, that the Secretary of Finance ruled that persons informing on those receiving annuity payments originally granted to persons since deceased, would receive the amount of the annuity in question for two years as a reward.

When annuities were first issued, the age of the annuitant was considered unimportant. Violent deaths were so common and public health so deplorable that nearly everyone died at a comparatively early age according to present day standards. Early annuity rates were the same at all ages. An annuity on one life amounted to 16 2/3 per cent of the premium annually for life. Annuities on two lives, joint and survivorship, netted 12½ per cent annually on the original payment.

First Tables

The first actuarial computation for annuity payments to come into prominence was the table developed by Edmund Halley, of comet fame, in the Eighteenth Century. But Halley's annuity table was far less accurate than his prognostications about the comet's appearance.

PEACH CROP FINEST PACKED IN CANADA EVER

(Continued from page 9)

invested in the industry, whereas 50 years ago there was not a cent invested in the whole industry. In the last nine years this one company has introduced many new lines and has had the experience of seeing one line after another advance from nothing to thousands of cases. Within five years, for example, one line has advanced from nothing to 55,000 cans sold yearly, and another from nothing to 1,500,000 cans annually.

At one time this company was vulnerable in the sense that with small capital anybody could start a canning factory provided he had some knowledge of the basic principles. Now improvements in machinery, growing diversity of lines, scientific study of exact requirements as to heat, utensils and cans, and years of experience in selecting fruits and vegetables and in processing have made it a difficult matter. The easiest way of entry into the canning game is probably as a tomato packer but even there the specialty canner is at a disadvantage with a company having many lines. The reason for this is that the plant with many lines can give much longer employment to experienced operatives in the district and so can get the best help.

Giving Employment

The canners are not only helping the growers by buying their crops. They afford a very definite opportunity to the sons, daughters and wives for months together to earn a very acceptable addition to the family exchequer. In some plants there is work on one line after another for seven months altogether. At the present moment there are 10,000 people being given casual employment in canning factories, according to one estimate. One factory has 300 women at work.

Another factor which is making it more difficult for the amateur canner to get started is that Ottawa is tightening up on restrictions as to canning from the standpoint of health and the reputation of the Canadian product. Some of the provinces are taking an active part in this campaign as well.

Imports From U. S. Drop

Just how much more canning is being done in Canada may be deduced from the statistics from Ottawa as to imports of canned fruits: peaches and apricots dropped from 4,600,257 pounds in year ending March 31, 1931, to 1,121,504 pounds in 1932, pears from 741,920 pounds to 299,612 pounds, pineapple from 3,743,247 to 847,818 pounds and other fruits from 4,609,234 pounds to 1,354,771 pounds. This makes a total reduction of 70 per cent.

Canadian Grocer in its October 7 number suggests that if the Ottawa parley preferential duties are ratified by all the Empire Governments one or more of the United States canners may locate in Canada. Some of these have built up over many years close relationships with British importers, and fruit packers in Oregon and California especially are anxious to keep that market. Because of the expected handicap they have been paying growers this year prices far under those enjoyed by Canadian growers.

United States canners establishing in Canada would hope to import fresh fruit and vegetables where they could not satisfy their needs in Canada, and get a drawback on the exported goods for tariff paid on fresh fruit. Over four years United States exports to Great Britain were valued at nearly $20,000,000. Canada is out to get her share of this as are Australia and South Africa. Those United States canners, which have still sufficient surplus to permit of their establishing plants here, would also have that market in view.

Infants' Foods Do Well

Some United States canners are already established in Canada. For instance, Campbell Soup Co. has a plant in New Toronto. The Heinz Co. also packs a wide range of food products here. Libby, McNeil & Libby has a plant at Chatham. The Minnesota Valley Canning Co., of Le Sueur, Minn., has a large subsidiary at Tecumseh, near Windsor, and the Gerber division of the Freemont Canning Co., of Michigan, is reported to have made plans to make their infant foods from vegetables in the Tecumseh plant of Minnesota Valley Canning Co.

Canadian Canners has already developed a complete line of infants' foods which have had an excellent reception. It has been canning pineapples as well which have been imported and in every line it possibly can is striving to make the Aylmer brand known and consolidate its position further against competition which may arise from inside or outside Canada.

N'FOUNDLAND SEEKS SUBSIDY SUPPORT

Send Railway Board to N. Sydney to Meet Business and Public Men

Hon. J. C. Puddester, chairman of the Newfoundland Railway Commission, and C. J. Furey and P. F. Halley, members of the commission, recently made a visit to North Sydney for the purpose of securing the support of federal and provincial members of parliament, the North Sydney Board of Trade and the newspapers at the request of Newfoundland, already placed before the Imperial Conference, to have freight routed via North Sydney for Newfoundland, and the subsidy of $35,000 restored to S. S. Caribou.

At a meeting with the Sydney Board of Trade, Mr. Puddester outlined Newfoundland's position. He held that there was discrimination against North Sydney compared with Halifax, on freight rates and claimed that the rate should be the same as to Halifax on freights from Canadian points. The North Sydney Board of Trade was entirely in accord with Newfoundland's position and agreed to co-operate and re-open the case with the federal authorities.

The commission also met the federal and provincial members and the editors of the newspapers who all promised to take up the case for North Sydney and back it to the limit.

Returning via Port aux Basques, the commission took the opportunity to inspect the railway and met several of the large freight shippers. At Corner Brook, a meeting was held with the manager of the International Power and Paper Co., when the probable traffic for the railway was discussed.

At Buchans, the commission met the manager of the Buchans Mining Co. and the transportation of concentrates was discussed. The company's position was that, because of the fall in metal prices since the plant commenced operations and the freight rate was fixed, the rate should be adjusted downward. The following figures were submitted: In 1929, per ton, the values of lead and zinc were $52 and $21 respectively; today the prices are lead $11 and zinc $1.55. It is understood that 127,000 tons of concentrates will be ready to be shipped before the close of the season. The commission made the company an offer which is being considered.

At Grand Falls, the commission met representatives of the Anglo-Newfoundland Development Co. who were seeking lower freight rates because of the drop in newsprint prices. Freight rates to both Heart's Content and St. John's were quoted and the company is considering the matter.

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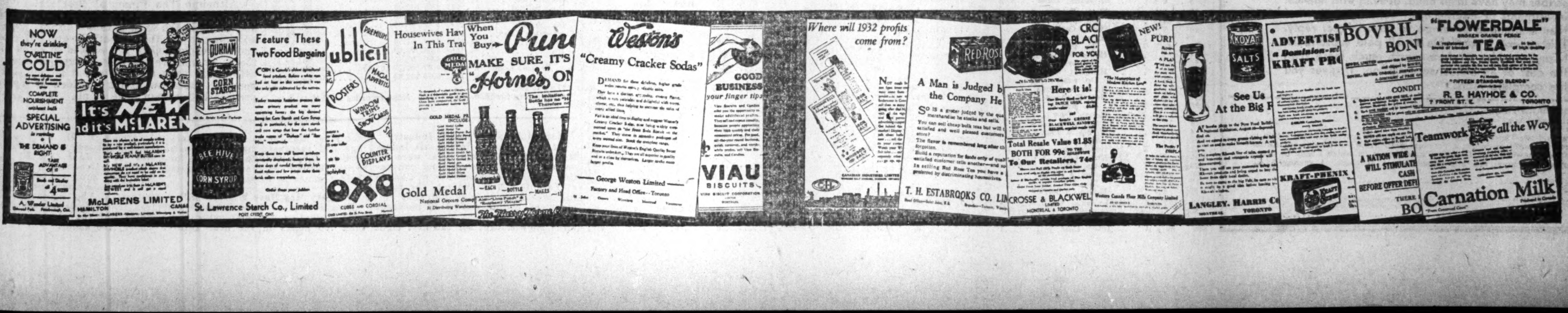

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING OCTOBER 10

Range 1932 High	Low	Divd. Rate in $	Yield in % Oct. 7		Sales	Close Oct. 3 (or last)	Week Ending —Oct. 10— High	Low	Close
3.25	.30	.	...	Abitibi	440	.50	.62	.40	.62
10	1	.	...	Do. pref.	140	2½	2½	1	1
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	...	Do. pref.	....	70	..	..	..
7½	3½	.	...	Alta. Pac. Gr.	....	7½	..	..	..
45	19	.	...	Do. pref.	15	40	40	40	40
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	7	.	...	Do. pref.	....	..	..	..	..
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.37	.15	.	...	Asbestos	....	.15	..	..	..
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
7	4	60c	9.2	Assoc. Brew.	80	6½	6½	6	6
71	65	7	9.8	Do. pref.	....	71	..	..	..
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20¾	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159¾	127	10	7.6	Bk. Can. Nat.	5	128½	130¾	130¾	130¾
225	150	10	5.1	Bk. Montreal	87	195	197	196	196
275	238	14	5.2	Bk. N. Scotia	50	270	270	267	270
193	125	10	5.5	Bk. Toronto	17	178½	180	178	178
10½	10½	.	...	Barcelona	....	10½	..	..	..
3	1	.	...	Bathurst Pr.	....	1½	..	..	..
1½	½	.	...	Do. (B)	....	1½	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
20	18	.	...	Do. pref.	5	20	20	20	20
5	3	.	...	Beath & Sons.	....	3	..	..	..
10½	3½	.	...	Beatty Bros. A	30	9	7	7	7
60	41	6	10.5	Do. pref.	....	57	..	..	..
3.50	.40	.	...	Beauharnois	4087	1.87	2.00	1.75	1.87
x93	55	7	...	Belding Cort.	....	..	..	..	..
90	65	7	7.8	Do. pref.	....	90	..	..	..
120	75	7	7	Bell Telephone	1015	102	102½	98	99½
4	2	.	...	Biltmore Hats.	....	4	..	..	..
50	50	7	...	Do. pref.	....	50	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	10	3	3½	3½	3½
25	9	2	11.7	Do. pref.	10	20	17	17	17
20	17	2	11.3	Brant. Cd. pf.	....	17¾	..	..	..
14¾	7¾	25c+2%§		Brazilian Tr.	19938	11	11⅝	9⅝	10
.75	.40	.	...	Brew. & Distil.	....	.75	..	..	..
1	¼	.	...	Brewing Corp.	156	1	..	..	..
3½	1	.	...	Do. pref.	95	3	2½	2½	2½
11¼	8¼	80c	8	Brit. Amer. Oil	7295	9¾	10	8½	8½
3.50	.60	.	...	B.C. Packers	5	1.75	1.50	1.50	1.50
8½	4	.	...	Do. pref.	215	8	7	6	6
28	15	2	9.3	B.C. Power A.	218	22½	22¼	21	21½
7½	3¾	.	...	Do. (B)	25	6¼	6	6	6
6¼	2	.	...	Bruck S. Mills.	25	4	4	4	4
20¼	10	1	7.7	Building Prod.	30	14½	13	13	13
32	17	2.40	8.2	Burt, F. N.	160	29	29½	29	29
125	120	6	5	Calgary Pr.	....	120	..	..	..
4	1¼	.	...	Canada Bread.	50	3½	2⅝	2⅝	2⅝
85	80	7	8.2	Do. pref. A.	....	85	..	..	..
25	20	2	8	Do. pref. B.	....	25	..	..	..
9	6¼	1	13.8	Canada Bud	95	7¾	7¼	7¼	7¼
7	2	.	...	Canada Cement	947	4½	4½	4	4
66	20	.	...	Do. pref.	250	30	30	29½	30
b15	6	1.20	11.7	Canada Dry	9800	11½	11½	8½	8½
6	2	.	...	Can. Forg. (A)	15	2⅛	2⅛	2⅛	2⅛
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	.	...	Canada Iron	....	..	..	..	..
x80	75	3	...	Do. pref.	....	..	..	..	..
15¼	8½	1.50	11.1	Can. Malting	280	14	14	13½	13½
17	9	80c	4.7	Can. Nor. Pr.	160	17	17	16	17
92	52½	7	9.4	Do. pref.	10	73	75	73	73
x6	¾	.	...	Can. Paving	....	..	..	..	..
x51	10¼	.	...	Do. pref.	....	..	..	..	..
186	135	12	7	Can. Perman.	55	166⅛	170	168½	168½
1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
3½	¾	.	...	Can. Steamsh's	....	3	..	..	..
11⅛	1	.	...	Do. pref.	60	9½	9½	7¼	8
17	9¼	1.60	10.1	Can. Vinegars.	5	15½	15¾	15¾	15¾
55	28¼	.	...	Can. W. Cable	....	32	..	..	..
18	4	.	...	Do. (B)	25	13	12½	12½	12½
1½	1¼	.	...	Can. Bakeries.	....	1¼	..	..	..
14	10	.	...	Do. pref.	....	10	..	..	..
191	123	10	5.9	Can. Bk. Com.	84	166	168	166	166
18	9	1.25	7.3	Can. Bronze	115	16½	17	16½	17
102	70	7	7.7	Do. pref.	....	90¼	..	..	..
6¾	1¾	.	...	Can. Canners	5	4	4	4	4
80	40	6	10.5	Do. 2nd pfd.	30	60	60	56	57
9	3¾	40c	7.3	Do. 2nd pfd.	105	6	5½	5¼	5½
8½	2½	60c	9.8	Can. Car & F'y	785	6¼	6¼	6	6
19¾	10	1.75	10.4	Do. pref.	445	17	17	16¼	17
8¼	3⅜	.	...	Can. Celanese	....	8¼	..	..	..
71	42	7	10	Do. pref.	5	70½	70	70	70
20	20	2	10	Can. Convert.	....	20	..	..	..
‡50	45	.	...	Can. Cottons.	....	..	..	..	..
60	48½	6	12.4	Do. pref.	7	50	48½	48½	48½
17	7	.	...	Can. Dredge	80	14	13½	13½	13½
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	9.4	Can. Fairb. pf.	....	64	..	..	..
4	3	.	...	Can. For. Inv.	....	3	..	..	..
65	55	.	...	Do. pref.	....	55	..	..	..
180	115	4	3.5	Can. Gen. Elec.	....	115	..	..	..
59	50	3.50	6.2	Do. pref.	128	56	56	55½	56
3¾	3¾	.	...	Can. G. Inv. T.	....	3¾	..	..	..
66	29	6	10.9	Can. Hyd. E. p	40	57	57	55	55
3	½	.	...	Can. Ind. Alc.	1083	2	2¼	2	2
2.00	.30	.	...	Do. (B)	60	1.87	2.00	1.75	1.75
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
21	18	1	4.8	Can. Lt. & Pr.	34	21	21	21	21
1½	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
2¼	¼	.	...	Can. Marconi	3900	1⅛	1¾	1¼	1⅜
13	7	1	10	Canadian Oil	55	11¼	10	10	10
100	84	8	8	Do. pref.	5	98	100	100	100
22⅞	8¾	.	...	Can. Pacific	23589	18¼	18⅛	15¼	15½
3	1½	.	...	Can. Vickers	....	3	..	..	..
20¼	20¼	.	...	Do. pref.	....	20¼	..	..	..
3½	1	.	...	Can. Wineries.	....	2¾	..	..	..
7¼	4¾	1	15.4	Can. Wire Box	20	6	6½	6½	6½
12	7	.	...	Catelli Mac A.	160	8	7	7	7
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	290	10	...	Cent. Can. L'n	....	..	..	..	..
2.05	.50	.	...	Chem. Research	3750	.80	.80	.75	.75
1	1	.	...	Claude Neon	50	..	1	1	1
8½	3	.	...	Cockshutt Plow	870	6⅞	7	6	6
2	½	.	...	Comm. Alcohol	....	1¼	..	..	..
8¾	1	.	...	Conduits	....	1¼	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	3¾	.	...	Cons. Bakeries	275	3¾	3⅞	3⅝	3⅝
5	1	.	...	Cons. Industries	15	3¼	2½	2⅛	2⅛
4	4	.	...	Cons. Paper	....	4	..	..	..
15	5	.	...	Cons. Press	....	7	..	..	..
35	30	2	5.7	Cons. Sand. pf.	....	35	..	..	..
102	25	.	...	Cons. Smelters	2248	80	82	71½	72
172	142	10	5.9	Consumers Gas	16	172	172	170	170
‡85	80	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	2¼	.	...	Cosgrave Brew.	....	3¼	..	..	..
5¼	2	.	...	Cosmos Imp.	....	5	..	..	..
68	40	3.50	7.6	Do. pref.	....	46	..	..	..
3	2	.	...	Crown Dom. Oil	290	2½	2¾	2½	2½
20	8	4	...	Crow's N. Coal	25	15	18	18	18
1½	1¼	.	...	David & Fre. B	....	1¼	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	...	Do. pref.	....	..	..	..	..
7¼	3⅜	.	...	Distill-Seagram	945	6	6¼	6	6
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1¼	.	...	Do. (B)	....	2	..	..	..
194	125	10	5.9	Dom. Bank	21	167	169½	168	168
27	9	2	11.8	Dom. Bridge	915	18	18	16¼	16½
x40	40	.	...	Dom. Coal	....	..	..	..	..
22½	12	.	...	Dom. Engineer.	....	16	..	..	..
78	30	5	6.4	Dom. Glass	....	78	..	..	..
112	85	7	6.9	Do. pref.	5	100	100½	100½	100½
5¼	1¼	20c	10	Dom. Motors	40	2¼	2¼	2	2¼
7¼	3¼	.	...	Dom. Pr. Stubs	....	6	..	..	..
3	1	.	...	Dom. St. & C B	842	1¾	1½	1½	1½
20½	13	1.20†	6.9	Dom. Stores	710	17½	18	17	17½
5	2	.	...	Dom. Tar & Ch.	50	3	2½	2½	2½
30	30	.	...	Do. pref.	....	30	..	..	..
63¼	39	5	9.3	Dom. Textile	155	55	55¼	53¾	53¾
105	70	7	7.1	Do. pref.	....	99	..	..	..
x12	10	.	...	Donnacona	....	..	..	..	..
3	½	.	...	Dryden Paper.	110	2¼	2	2	2
4	2	.	...	Duff. Paving	....	2	..	..	..
49	26	.	...	Do. pref.	....	26	..	..	..
20	3	.	...	East. Koot. Pr.	....	3	..	..	..
x97	94½	.	...	Do. pref.	....	..	..	..	..
16	6¼	.	...	East. Dairies	50	7	7	7	7
9½	9½	1	...	East. Steel	....	9½	..	..	..
x100	97	7	...	Do. pref.	....	..	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
1	1	.	...	Easy Washer	....	1	..	..	..
9	4½	75c	9.7	Economic Inv.	15	7¾	7¾	7¾	7¾
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78⅜	6.50	...	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	6	.	...	Eng. Electric	....	8	..	..	..
2½	1½	.	...	Do. (B)	....	2	..	..	..
8	6	.	...	Fam. Players	....	7	..	..	..
10	7½	.	...	Do. Vot. Tr.	....	10	..	..	..
10	7	.	...	Fanny Farmer	5	7	7	7	7
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	5¼	.	...	Ford Motors A	3967	9¼	9⅞	7¾	8
3¾	1⅛	.	...	For. Pr. Secs.	....	2¼	..	..	..
9	4	.	...	Foundation Co.	25	4	4	4	4
1.25	.25	.	...	Fraser Cos.	15	.40	.40	.40	.40
50	50	.	...	Front. Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
37	37	.	...	Do. pref.	....	37	..	..	..
2½	⅜	.	...	Gen. St. Wares	245	1¾	1½	1½	1½
84	38	5	7.1	Goodyear Tire.	10	73	70	70	70
95	70	7	7.4	Do. pref.	23	92½	95	92½	92½
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
1¾	⅜	.	...	G. W. Saddlery	760	1¾	1	1	1
7	5	.	...	Do. pref.	....	5	..	..	..
21	8	1	10	Gurd, Chas.	196	10	10	10	10
106	100	7	7	Do. pref.	....	100	..	..	..
5	2	.	...	Gypsum, Lime	205	3½	3½	3¼	3¼
7	2	.	...	Ham. Bridge	108	4⅞	5½	4½	4¾
60	44½	.	...	Do. pref.	....	45	..	..	..
10	6	.	...	Ham. Cot., pf.	....	6	..	..	..
2½	1½	.	...	Ham. U. Theat.	....	2½	..	..	..
53	48	7	14	Do. pref.	....	50	..	..	..
4	2	.	...	Hayes Wheel	....	2	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2½	1	.	...	Hinde & Dauch	5	2	2	2	2
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅞	½	.	...	Honey Dew	....	2½	..	..	..
40	10	.	...	Do. pref.	....	10	..	..	..
4	2	.	...	H. Smith Pap.	....	2½	..	..	..
27	16	.	...	Do. pref.	25	21	20	19¾	19¾
21¼	15	2	10	Humberstone S	....	20	..	..	..
17¾	6¼	1	12.5	Hunt (A)	....	8	..	..	..
x23½	18½	1	...	Do. (B)	....	..	..	..	..
108	93	8	7.6	Huron & E Mt	6	105	105	105	105
17	17	.	...	Do. 20% pd.	....	17	..	..	..
11¼	4¾	.	...	Hydro Electric	....	6	..	..	..
193	130	10	5.9	Imperial Bank.	5	166	170	168	168
11½	7¾	50c	5.3	Imperial Oil	11492	9⅞	9⅞	8¾	8¾
9⅝	6	35c°	4.4	Imperial Tob.	195	8	8⅝	8	8
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
97	88¼	7	7.6	Inter. Mill. pf.	....	92	..	..	..
80	77	6	7.5	Do. Series A.	....	80	..	..	..
13½	4	.	...	Inter. Nickel	38739	10¼	10½	8⅝	8¾
4	4	.	...	Inter. Paints	....	4	..	..	..
b4⅜	½	.	...	Int. Pa & Pr A	400	1⅝	2	1½	1½
b2	¼	.	...	Do. (B)	100	¾	¾	¾	¾
b1¼	¼	.	...	Do. (C)	400	⅜	⅜	⅜	⅜
b12⅞	2	.	...	Do. pref.	800	5½	5⅞	5	5
13½	9¼	1	9.3	Inter. Pete.	3564	11¼	11⅝	10½	10½
x8	5	.	...	Inter. Power	....	..	..	..	..
x78	56¼	.	...	Do. pref.	....	..	..	..	..
11	2	.	...	Int. Util. (A)	5	8½	8⅛	8⅛	8⅛
4	½	.	...	Do. (B)	125	3	2¾	2½	2½
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
86	85	7	8.2	Do. pref.	....	85	..	..	..
4	2½	.	...	Kelvinator	....	3	..	..	..
90	55	7	12.7	Do. pref.	....	55	..	..	..
9¾	4	.	...	Lake of Woods	50	8	7½	7½	7½
40	40	.	...	Do. pref.	....	40	..	..	..
x140	140	8	...	Landed Bank.	....	..	..	..	..
40	28	3	7.7	Laura Secord	70	39	39	39	39
8	1½	.	...	Lindsay, C. W.	5	3	3	3	3
60	36	6.50	18	Do. pref.	10	36	36	36	36
12	9	80c	6.8	Loblaw (A)	305	11¼	11¾	11¼	11½
11¼	8	80c	7.3	Do. (B)	25	11	11	11	11
‡2⅜	2⅜	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel.	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
7	6½	.	...	Manitoba Pr.	....	7	..	..	..
5	2	.	...	Maple Leaf	65	4	4	4	4
20½	8	.	...	Do. pref.	....	16	..	..	..
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	30	.	...	Do. pref.	....	30	..	..	..
5¾	2¼	.	...	Massey-Harris	1215	5	4¾	4	4⅛
11⅛	7	60c	6.6	McColl Fron.	494	9½	9½	8¾	9½
68	58	6	9.1	Do. pref.	20	68	66	66	66
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	.25	.	...	Mercury Mills.	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8¾	3	.	...	Mitchell, Robt.	100	7	6	6	6
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	20	.	...	Do. pref.	....	20	..	..	..
75	45	6	13	Montreal Cot.	....	46	..	..	..
75	65	7	10	Do. pref.	10	70	70	70	70
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
11	6½	.	...	Mont. Is. Pr.	....	6½	..	..	..
39¼	20⅛	1.50	4.2	Mont. L. & Pr.	4574	36¼	36½	32	34⅛
48	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	40	3.20	8	Montreal Tele.	....	40	..	..	..
150	90	10	8.7	Mont. Trams.	10	115	115	115	115
11	4½	.	...	Moore Corp.	145	9	9	8¼	8¼
93	62	7	8.9	Do. (A)	26	75	78¼	78	78
97	69	7	8	Do. (B)	1	85	87	87	87
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	¾	10c	...	Muirheads	....	1	..	..	..
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	9½	1.60	9.6	Nat. Brew.	1770	17½	17½	16½	16½
28	25	1.75	6.3	Do. pref.	....	27¾	..	..	..
½	½	.	...	Nat. Brick	....	½	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
13¼	6	80c	8.2	Nat. Steel Car	560	11	10½	9½	9½
255	175	12	5.6	National Tr.	2	175	215	215	215
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
2.50	1.50	.	...	North Star Oil	....	2.50	..	..	..
4.00	4.00	35c	8.7	Do. pref.	....	4.00	..	..	..
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
150	90	8	5.9	Ogilvie Flour	....	135	..	..	..
112	96	7	6.4	Do. pref.	....	110	..	..	..
9	4	.	...	Ont. Eq. 10% p	....	5½	..	..	..
102	94½	6	5.9	Ontario Loan.	....	101	..	..	..
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
½	½	.	...	Orange Crush	....	½	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
½	½	.	...	Do. (B)	....	½	..	..	..
100	87	6	6.5	Ott. L. H. & P.	6	92	92	92	92
100	90	6.50	7.2	Do. pref.	1	90	90	90	90
10	10	.	...	Ott. Traction	10	..	10	10	10
68½	35	3	5.9	Page Hersey	130	55	53¾	50	50½
b11½	1½	.	...	Paramount	56300	5	5¼	3½	3½
x35	30	.	...	Paton Mfg.	....	..	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
⅜	¼	.	...	Pelissiers	....	⅜	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
33½	18	3	10	Penmans	....	30	..	..	..
80	65	6	8	Do. pref.	....	75	..	..	..
19½	9	.	...	Photo Eng.	65	10¼	10¼	10¼	10¼
x40	10	.	...	Port Alfred, pf	....	..	..	..	..
70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b17¼	1¾	.	...	Postal Tele. p	....	..	..	..	..
36½	6	.	...	Power Corp.	1262	13	12½	10½	11
90	25	6	10	Do. pref.	....	60	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
11	5	.	...	Pressed Metals	55	10	10½	10½	10½
5	5	.	...	Price Bros.	....	5	..	..	..
x99	70	.	...	Do. pref.	....	..	..	..	..
29	9¼	1.50	11.5	Quebec Power.	695	15½	15⅛	13	13
105	105	7	6.7	Real Estate Ln	....	105	..	..	..
2.00	.25	.	...	Regent Knit.	....	.55	..	..	..
10	5¾	.	...	Reliance Grain	....	9	..	..	..
12	6¼	1	9.5	River. S. Mills	....	10¼	..	..	..
12	6½	1	16	Robinson Cone	....	6¼	..	..	..
4	1¼	.	...	Rogers Majes.	30	2	1½	1½	1½
171	120	10	5.9	Royal Bank	196	167	168	165	168
x84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
33	22½	1	3.1	Russell Motor	....	32½	..	..	..
70	35	7	14.6	Do. pref.	....	48	..	..	..
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Sta.	145	3½	3¾	3½	3½
46	20	.	...	Do. pref.	50	29	25	25	25
33	7¼	1	6.9	Shawinigan	6383	17½	17¼	13½	13½
20	7	.	...	Sher. Wms.	45	10	10¼	10	10
80	68¼	7	10	Do. pref.	10	69	70	70	70
17	5	.	...	Simon & Son.	....	5⅛	..	..	..
80	60	7	11.7	Do. pref.	....	60	..	..	..
55½	12	.	...	Simpson, Ltd.	20	25	24	24	24
x44½	36	.	...	Do. (A)	....	..	..	..	..
9	9	.	...	Do. (B)	....	9	..	..	..
82	62	6	7.5	Simpson, R., p.	....	80	..	..	..
25	10	1	5.3	So. Can. Pr.	25	20	19	19	19
90	60	6	7.3	Do. pref.	17	80	82	80	82
1.00	.45	.	...	St. Law. Corp.	....	.50	..	..	..
4	1⅛	.	...	Do. (A)	....	2½	..	..	..
30	9	.	...	St. Law. Flour	20	30	30	30	30
99½	70	7	7	Do. pref.	....	99½	..	..	..
11	1⅞	.	...	St. Law. Pa. p	....	7	..	..	..
3	1½	.	...	St. Pav. & Mat.	....	2¼	..	..	..
46	25	2	6.8	Do. pref.	....	29½	..	..	..
6	4	50c	..	Stand. Chem.	25	6	6	6	6
5⅞	1¼	.	...	Stand. Steel	95	4	4	3	3¼
x35	30	3	...	Do. pref.	....	..	..	..	..
x1	1	.	...	Stanfords	....	..	..	..	..
24	10¼	1.75	8.5	Steel of Can.	1310	20¾	21¼	20	20
30¼	20	1.75	5.8	Do. pref.	8	29⅞	30	30	30
¾	¾	.	...	Sterling Coal	....	..	..	..	..
18½	9¼	1	7.1	Sup. Pete. ord.	80	14¼	14¼	13¾	13¾
16½	16½	1	6.1	Do. com.	....	16½	..	..	..
98	90	7	7.7	Do. pref.	....	90½	..	..	..
42	35	.	...	Tamblyn	....	40	..	..	..
100½	95	7	7.3	Do. pref.	....	95½	..	..	..
18	14½	3.50	24.1	Thayers, pfd.	....	14½	..	..	..
7	3	.	...	Tip Top Tailors	....	3	..	..	..
67	50	7	12.7	Do. pref.	....	55	..	..	..
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48¼	.	...	Do. pref.	....	..	..	..	..
15	7	.	...	Tor. Elevators.	....	14	..	..	..
210	125	10	5.7	Tor. Gen. Tr.	....	175	..	..	..
105	85	6	5.8	Toronto Mtge.	....	103	..	..	..
¼	¼	.	...	Traymore	....	¼	..	..	..
2¼	2	.	...	Do. pref.	....	2	..	..	..
120	103	7	6.6	Tuckett Tob. p	....	105½	..	..	..
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	23	..	..	..
7	1¾	.	...	Union Gas	24	5½	5½	5	5½
100	100	5	5	Union Trust	....	100	..	..	..
x8	3	.	...	United Fuel	....	..	..	..	..
15	3	.	...	Do. pref.	10	8	8¼	8	8
24⅝	18	2	11.1	United Secs.	....	18	..	..	..
11	5	.	...	Viau Biscuit	....	9	..	..	..
75	59	7	11.9	Do. pref.	....	59	..	..	..
12	4	.	...	Wabasso Cot.	....	10	..	..	..
8	2½	.	...	Walker-Good.	2532	6	6¼	5⅝	5⅝
12	9	1	10.5	Do. pref.	2068	9⅜	9⅝	9⅜	9⅜
3¾	1	.	...	Waterloo Mfg.	....	2	..	..	..
80	75	7	...	W. Koot. Pr.	....	80	..	..	..
8	5½	.	...	West. C. Flour	25	8	8	8	8
60	54	6.50	11.1	Do. pref.	5	58	58½	58½	58½
12	10	.	...	West. Grocers.	37	10	12	12	12
54	43	7	13.2	Do. pref.	....	53	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	4.5	Weston Bisc.	5	22¼	22¼	22¼	22¼
70	65	7	10	Do. pref.	....	70	..	..	..
.10	3	.	...	Windsor Hotel	....	3	..	..	..
38	10	.	...	Do. pref.	....	11	..	..	..
8	2	.	...	Winnipeg Elec.	291	5	5	5	5
20	13	.	...	Do. pref.	....	16	..	..	..
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
§ Stock dividends of 2% each paid Sept. 1 and June 1; 25c cash paid March 1, 1932.
° Plus final div. of 17½c paid March 31, 1932.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
October 11, 1932

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	22.50	24.00
Acadia Sugar 6% 1946	83.00	86.00
Alta. Pac. Grain 6% 1946	83.00	86.00
American Sales Book 6% 1939	103.00	....
Arnold Bros. 6% 1947	40.00	50.00
B. A. Oil 5% 1945	90.00	93.00
Canada Biscuit 6½% 1946	26.00	30.00
Canada Bread 6% 1941	87.00	....
Canada Cement 5½% 1947	80.50	82.50
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	75.00	77.50
Can. Copper Refin. 6% 1945	96.00	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	45.00	47.00
Can. Vickers 6% 1947	74.00	76.00
Cons. Invest. 4½% 1959	40.00	....
Cosmos Imp. Mills 6½% 1944	86.00	....
Davies, Wm., 6% 1942	82.00	85.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	75.00	77.00
Dom. Telegraph 5½% 1978 "A"	85.00	87.00
Dom. Textile 6% 1949	93.00	....
Dom. Woollens 6% 1948	23.00	27.00
Donnacona Paper 5½% 1948	23.00	....
Eaton Realty 5% 1949	84.00	....
Famous Players 6% 1948	72.00	74.00
Famous Players 6½% 1948	56.00	58.00
Federal Grain 6% 1949	81.00	84.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	85.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	....	24.00
Gypsum, Lime & Alab. 5½% 1948	56.50	59.00
Harris Abattoir 6% 1947	86.00	....
Howard Smith 5½% 1953	62.00	64.00
Loew's Toronto 6% (Serial)	95.00	100.00
London Realty 6½% 1950	52.00	57.00
Maple Leaf Milling 5½% 1949	60.50	63.00
Massey Harris 5% 1947	74.00	76.50
McColl Frontenac 6% 1949	89.00	92.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	43.00	....
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	64.00	73.00
Price Bros. 6% 1943	44.00	47.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	65.00	....
Simpsons Ltd. 5½% 1949	70.00	....
Simpsons Ltd. 6% 1949	76.50	78.00
Steel of Can. 6% 1940	102.00	105.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	53.00	57.00
United Grain Growers 5% 1948	77.00	....
United Grain Growers 5½% 1949	82.00	....
Western Grain 6% 1949	72.00	75.00
Public Utility Bonds:		
Bell Telephone 5% 1955	108.00	110.00
Bell Telephone 5% 1957	108.00	110.00
B. C. Power 5% 1960	86.00	88.00
B. C. Telephone 5% 1960	93.00	95.00
Calgary Power 5% 1960	86.00	89.00
Can. Northern Pwr. 5% 1953	80.00	83.00
Duke Price Power 6% 1966	68.00	72.00
Elec. Develop. 5% 1933	110.00	....
French Natl. Mail SS 6% 1952	114.00	....
Gatineau Pwr. 5% 1956	80.50	82.50
Gatineau Pwr. 6% 1941 Apr. 1	75.00	79.00
Inter. Pwr. 6½% 1957	59.00	61.00
Maclaren Quebec 5½% 1961	80.00	85.00
Manitoba Power 5½% 1951	62.00	65.00
Montreal Isl. Pwr. 5½% 1957	97.00	100.00
Montreal LH&P 5% 1951	105.00	108.00
Montreal LH&P 5% 1970	104.00	107.00
Montreal Tram. 5% 1941 July	98.50	100.00
Montreal Tram. 5% 1955	85.00	87.00
Northwest Utilities 7% 1938	89.50	95.00
Ont. Pwr. Service 5½% 1950	78.00	79.50
Ottawa Valley Pwr. 5½% 1970	95.50	97.00
Quebec Power 5% 1968	90.00	94.00
Rio Tramways 5% 1935	85.50	87.00
Shawinigan W & P 4½% 1970	78.00	81.00
Shawinigan W & P 5% 1970	85.00	88.00
Shawinigan W & P 6% 1937	94.00	97.50
Southern Can. Pwr. 5% 1953	93.00	95.00
West Kootenay Pwr. 5% 1956	92.00	94.00
Government Provincial & Railway:		
C.N.R. 4½% 1951 Dom. Gtd.	98.00	98.75
C.N.R. 4½% 1957 Dom. Gtd.	98.00	98.75
C.N.R. 5% 1969 Dom. Gtd.	104.50	106.00
C.P.R. 4½% 1944	84.00	85.50
C.P.R. 5% 1954	94.00	98.00
C.P.R. 6% 1942	106.00	108.00
Dom. of Can. 5% 1936	102.00	102.50
Dom. of Can. 5% 1941	102.25	102.50
G.T.P. 3% 1962 Dom. Gtd.	75.50	77.00
G.T.P. 4% 1962 Dom. Gtd.	89.50	90.00
Ont. Hydro 5% 1939 Ont. Gtd.	100.00	100.75
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	90.50
Prov. of N.B. 5½% 1950	103.50	104.50
Prov. of Ontario 4½% 1944	101.00	102.00
Prov. of Ontario 5% 1948	101.75	102.50
Prov. of Ontario 5½% 1947	105.00	106.00

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,
Canada Permanent Building, Toronto, Ont.
October 11, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Oct.	90.00	5.20
Alberta	5	1 July, 1943	1 Jan.	94.50	5.68
Alberta	6	1 Mar., 1947	1 Mar.	102.75	5.72
*British Columbia	4½	1 Oct., 1953	1 Oct.	92.50	5.09
*British Columbia	5	15 Jan., 1948	15 July	98.00	5.18
British Columbia	6	15 Feb., 1947	15 Feb.	102.75	5.72
Manitoba	4	1 July, 1947	1 Jan.	82.50	5.76
*Manitoba	5	2 Dec., 1959	2 Dec.	97.00	5.20
Manitoba	6	1 Apr., 1947	1 Oct.	102.75	5.72
*New Brunswick	4	1 June, 1948	1 Dec.	91.65	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	104.25	5.13
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	97.75	4.69
Nova Scotia	5	1 May, 1943	1 Nov.	101.00	4.88
*Ontario	4½	1 Sep., 1944	1 Mar.	103.25	4.15
Ontario	5	15 Oct., 1948	15 Oct.	102.50	4.78
Ontario	5½	1 Feb., 1947	1 Feb.	105.63	4.95
P. E. I.	4	1 Apr., 1939	1 Oct.	94.50	5.00
P. E. I.	6	1 May, 1947	1 Nov.	108.50	5.18
*Quebec	4½	1 May, 1961	1 Nov.	98.37	4.35
Saskatchewan	4½	1 Oct., 1944	1 Oct.	87.25	6.00
Saskatchewan	5	1 Oct., 1950	1 Oct.	91.65	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.75	5.98
*Newfoundland	5	31 Dec., 1952	31 Dec.	72.00	7.75
*Newfoundland	5½	1 July, 1939	1 Jan.	76.00	10.40
*Newfoundland	6½	30 June, 1936	30 Dec.	81.00	12.70
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.00	4.75
*Toronto	4½	1 Jan., 1955	1 Dec.	97.25	4.69
*Vancouver	5	15 Jan., 1970	15 July	91.50	5.54
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Oct.	89.50	6.64
Calgary	5	1 Jan., 1943	1 Jan.	87.50	6.67
Halifax	6	1 July, 1951	1 Jan.	106.00	5.48
Saint John	5	15 Dec., 1950	15 Dec.	95.36	5.39
Regina	4½	1 July, 1950	1 Jan.	77.00	6.72
Victoria	5	21 July, 1945	21 July	90.20	6.10
Quebec	5	1 June, 1948	1 Dec.	100.75	4.93

*Payable in New York.

Listed Bond Quotations

Week Ending October 10

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	46	19¼
Asbestos	5	1942	...	†25	...	...	65¼	49
Do., 1st mtge.	6	1941	...	19	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs.	5	1943	...	...	...	...	‡98¼	...
Cedars Rapids	5	1953	5.00	...	...	...	101	95
Dom. Canners	6	1940	...	105	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	50	50
McNish	6	1948	...	45	50	...	2.25	1.00
Mex. L. & Pr.	5	1940	...	2.00	2.00	...	*73¼	70¼
Mont. Pr. deb.	3	1939	...	42⅞	43⅛	42⅞	44	35
Mont. Tr. 1st mtg.	5	1941	5.37	98	...	...	97½	90¼
Mont. Trams. "A"	5	1955	6.23	84½	85	84¾	85½	69½
Do., G. & Ref. "B"	5	1955	7.45	84⅝	...	...	79¾	78¾
Do., "C"	4½	1955	...	77½	...	...	*85	84
Do., "D"	5	1955	6.62	84⅛	...	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62⅝	59
Ontario Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada	6	1940	5.90	102	...	...	102⅛	100½
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.	5	1935	...	88	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.42	110.25	....	....	107.00	102.00
Victory Loan	5½	1933	3.69	101.75	....	....	101.55	100.25
Do.	5½	1934	4.23	102.35	....	....	102.00	99.25
Do.	5½	1937	3.73	108.25	....	....	109.75	104.00
Do., refund	4½	1940	4.54	99.50	....	....	98.25	91.50
Do., refund	5	1943	4.66	102.60	....	....	102.50	95.38
Do., refund	4½	1944	4.60	98.60	....	....	96.75	89.50
Do., refund	4½	1946	4.59	98.60	....	....	92.25	91.50
Conversion Loan	4½	1956	4.76	97.50	....	....	91.50	88.25
Do.	4½	1957	4.84	97.50	....	....	90.50	88.50
Do.	4½	1958	4.68	98.60	....	....	97.50	88.50
Do.	4½	1959	4.69	99.25	....	....	97.50	88.75
Nat. Service Loan	5	1936	4.37	102.20	102.00	....	101.75	96.25
Do.	5	1941	4.60	102.60	....	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices

Week to October 11

Crop year from Aug. 14, 1932 High	Low		Open Oct. 5	High for week	Low for week	Close Oct. 11
		Wheat				
.60¾	.47⅞	Oct.	.49¼	.49¼	.47⅞	.48⅛
.53¾	.48⅞	Nov.	.50¼	.50¼	.48⅞	.49⅛
.61¾	.50	Dec.	.51½	.51½	.50	.50¼
.66	.55	May	.56¾	.56¾	.55	.55¼
		Oats				
.27⅞	.22⅞	Oct.	.24½	.24½	.22⅞	.23⅜
.27	.21⅛	Dec.	.23¾	.23¾	.21⅛	.22⅜
.29½	.25⅜	May	.27	.27	.25⅜	.25¾
		Barley				
.35⅞	.23¾	Oct.	.26	.24⅞	.23¾	.24⅞
.35	.25	Dec.	.26	.26½	.25	.26
.38½	.28½	May	.29¾	.29¾	.28½	.29½
		Flax				
.85	.68	Oct.	.75½	.75½	.68	.68¾
.87	.69¼	Dec.	.75½	.75½	.69¼	.70⅛
.94	.75	May	.83	.83¼	.75	.76⅜
.78	.69¾	Nov.	.76¼	.76¼	.69¾	.70
		Rye				
.36⅛	.29	Oct.	.29¼	.30⅛	.29	.30¼
.38⅜	.30⅜	Dec.	.31⅛	.31⅛	.30⅜	.31½
.41⅞	.35¼	May	.36	.36½	.35¼	.36⅛

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
October 11, 1932

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	.70	1.10
Acadia Sugar pfd.	2.80	3.25
Acme Farmers Dairy pfd.	62.00	68.00
Acme Glove pfd. bonus com.	9.00	11.00
Agnew Surpass pfd.	62.00	70.00
Aliens London pfd.	31.00	....
Aliens Toronto pfd.	16.00	....
Andian National Corp'n.	25.25	28.25
B. C. Pulp & Paper pfd.	5.50	8.00
bonus com.	6.25	....
Burns pfd.		
Can. & Dom. Sugar com.	21.00	22.00
Can. Machy. c.	2.50	5.00
Can Machy. pfd.	20.00	25.00
Can. Packers c.	13.50	15.00
Can. Packers pfd.	66.25	....
Can. Starch pfd.	63.00	68.00
Can. Tea pfd.	....	54.00
Can. Wire & Cable pfd. W.W.	72.50	75.00
Can. Industries com. "A"	....	83.00
Can. Industries com. "B"	79.50	80.50
Can. Industries 7% pfd.	111.00	112.00
Can. West'house	39.00	42.00
Chase, A. W. Units	22.25	25.00
Claude Neon Gen. Adv. Units	21.00	23.00
Claude Neon Gen. Adv. com.	2.50	4.00
Crescent Creamery pfd.	61.00	70.00
Dodge Manuf. "A" pfd.	5.00	....
Dodge Manuf. "B" com	2.25	....
Dom. Foundries & Steel com.	6.25	8.00
Dominion Foundries & Steel pfd.	70.00	73.00
Dom. Manuf. pfd.	66.50	71.00
Dunlop Tire 7% pfd.	45.00	50.00
Eastern Dairies Ltd. pfd.	64.50	68.00
Edmonton Stockyards Units	....	52.00
Fed Grain pfd.	41.00	....
Gen. Steel Wares Ltd. pfd.	7.00	9.00
Goderich Elevator & Transit	9.00	9.50
Greening Wire 7% pfd.	67.00	72.00
Guardian Realty Pfd.	18.00	24.00
Guelph Carpet pfd. bonus c.	71.25	74.00
Guelph Carp. c.	5.50	....
Inter City Baking com.	34.50	38.50
Inter. Proprietaries "A"	25.00	26.50
Langleys pfd.	....	35.00
Loew's London 7% pfd.	2.60	3.00
Maple Leaf Gns. pfd. bonus c.	3.50	4.00
Massey Harris pf.	17.00	17.50
Melchers Distilleries "A"	1.25	....
Mount Royal Hotel com.	.55	.80
Mount Royal Hotel pfd.	5.50	7.50
National Grocers com.	1.25	1.75
National Grocers 2nd pfd.	42.50	45.00
National Sewer Pipe "A"	18.50	....
National Sewer Pipe com.	6.50	....
Neilson, Wm., c.	5.00	....
Ont. Silknit pfd.	18.00	19.00
Prov. Paper 7% pfd.	43.00	46.00
Reliance Gr. pfd.	62.00	....
Rolland Paper pfd. W. W.	31.50	33.00
Standard Clay Products com.	17.50	21.00
Standard Fuel pfd. bonus	54.75	58.00
Supertest Petrol. "B"	19.00	22.00
Toronto Brick pf.	....	38.00
Toronto Carp. c.	....	91.00
Toronto Carpet 8% pfd.	....	86.00
Toronto Elevators 7% pfd.	75.00	77.00

	Bid	Asked
Industrial Stocks:		
Toronto Housing com.	15.00	23.00
West. Grain pfd. bonus com.	35.00	33.50
Willards Choc. pfd.	....	21.50
Insurance Stocks:		
Br. Amer. Assce.	31.50	40.00
Can. Life Assce.	365.00	400.00
Can. Nat. Fire	16.50	....
Candn. Fire Ins.	60.50	68.00
Confederation Life 20% pd.	110.00	128.00
Continental Life 20% pd.	47.00	55.00
Crown Life Ins.	105%	130%
Dom. Fire Ins.	91.00	100.00
Dom. Life 50% pd.	225.00	270.00
Dom. of Can. Gen. ins.	109.00	125.00
Excelsior Life 30% pd.	75.00	85.00
Fidelity Ins. of Canada	....	70.00
Great West Life Assce.	240.00	247.00
Guarantee Co. of N. A.	176.00	225.00
Halifax Fire Ins.	12.00	13.50
Imperial Life Assce.	241.00	260.00
Manuf. Life Ins.	231.00	245.00
Monarch Life 10% pd.	20.50	25.00
National Life 25% pd.	67.00	74.00
Saskatchewan Life 10% pd.	11.25	16.00
Sovereign Life 25% pd.	19.75	25.00
Sun Life Assce.	305.00	355.00
West. Assce. c.	14.50	16.00
Western Life 20% pd.	7.00	12.00
Trust & Loan Stocks:		
Can. Gen. Invest. Ltd.	3.65	3.95
Chartered Trust	64.50	69.00
Debenture & Sec. pfd.	22.50	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	145.00	160.00
Guelph & Ont. Inv. par $50	45.75	51.00
Lambton Loan & Sav.	53.00	60.00
Investment Foundation Units	14.00	16.00
London & Western Trust	81.50	85.00
Mtge. Disc. pfd.	2.00	3.00
Mutual Finance pfd.	....	2.25
Northern Trust	....	24.00
Premier Trust	82.00	86.00
Provincial Bank	100.25	103.75
Sec. Loan & Sav.	95.00	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	58.50	62.00
Traders Finance com.	.60	1.35
Traders Finance pfd.	17.00	....
Trusts & Guar.	41.50	45.00
Union Trust	....	90.00
Victoria Trust & Sav.	170.00	....
Waterloo Trust & Sav.	96.50	105.00
Power Issues:		
B. C. Elec. Pwr. & Gas pfd.	94.50	95.75
Calgary Pwr. 6% pfd.	37.25	78.00
Can. Light & Pwr. com.	19.00	23.00
Can. West. Nat. Gas L.H.& P. c.	20.00	25.00
Can. West Nat. Gas L.H.& P. pfd.	77.00	80.00
Great Lakes Pwr. pfd.	....	66.50
Maritime Tel. & Tel. com.	10.50	12.00
Tel. pfd.	10.50	12.00
Maritime Tel. & N. B. Telephone com.	8.25	9.00
N. S. L. & P. pfd.	75.00	80.00

Recent London Quotations:

Brewer Distillers	4s. 6d.
Can. & For. sec.	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	23s. 9d.
Do., 5%	7s.
Internat. Holdings	$1 13/16
Nfld. Pr. & Pap. deb. stock "B"	100½
Trust & Loan of Can.	2s. 6d.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Beatty Bros., pref.	6%	1½%	Nov. 1	Oct. 15
Beaver Lumber	...	10c	Oct. 1	Oct. 1
Do., pref.	...	1¾%	Oct. 1	Oct. 1
Borden's c. (No. 91)	$2	50c	Dec. 1	Nov. 15
Brockville Trust	$3.50	87½c	Sept. 30	Sept. 20
Brantford Cordage pref.	8%	2%	Oct. 20	Sept. 20
Belding Cort. c.	7%	1¾%	Nov. 1	Oct. 15
Can. Industries, c. 'A' & 'B'	$3.50	87½c.	Oct. 31	Sept. 30
Can. Northern Pr.	80c	20c	Oct. 25	Sept. 30
Canadian Bronze	$1.25	31¼c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Can. Dredge pref.	7%	1¾%	Nov. 1	Oct. 19
Calgary Power pref.	6%	1½%	Nov. 1	Oct. 15
Can. Public Service pfd.	6½%	1⅝%	Oct. 1	Sept. 21
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dome Mines	$1	25c	Oct. 20	Sept. 30
Do., bonus	...	10c	Oct. 20	Sept. 30
Humberstone Shoe	$2	50c	Nov. 1	Oct. 15
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 3
Inter. Utilities, prior pfd.	7%	1¾%	Nov. 1	Oct. 15
Do., pref.	$3.50	87½c	Nov. 1	Oct. 15
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
London & West. Trust	$5	$1.25	Oct. 1	Sept. 23
Merland Oil	...	2½c.	Nov. 15	Oct. 31
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Mortgage Corp. of N. S.	7%	1¾%	Nov. 1	Oct. 24
McLennan McFeely pfd.	6½%	1⅝%	Oct. 1	Sept. 23
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
Penmans	$3	75c	Nov. 15	Nov. 5
Do., pref.	6%	1½%	Nov. 1	Oct. 21
Second Std. Royalties pfd.	12%	1%	Nov. 1	Oct. 15
Southern Can. Power c.	$1	25c	Nov. 15	Oct. 31
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
Teck-Hughes	60c	15c	Nov. 1	Oct. 15
Vancouver W. Drug pfd.	...	81c	Oct. 1	....

Canadian Indemnity, com. dividendd to be considered in December. Last payment $6 annually Oct. 1, 1931.

Dividends Passed or Deferred:
Eastern Dairies, c. Nov. 1, passed. Last paid 25c. Aug. 1, 1932.
Hamilton Bridge, pref. Nov. 1, deferred. Last paid $1.62½ July 15, 1932.
Gordon & Belyea, pref. Oct. 1 passed. Last paid 75c. July 1, 1932.

Dividend Rate Reduced:
Imperial Bank 2½% Nov. 1. Reduced from 12% to 10% per annum.
London & Western Trust $1.25 Oct. 1. Reduced from $1.75 quarterly.

Extra Dividends:
Dome Mines 10c. Oct. 20.

Winnipeg Stock Exchange

(Transactions for week to Oct. 6)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Oct. 3
..	....	Central Manitoba	500	.05	.05	.05
..	....	North Star Oil, c.	102	1¼	1¼	1¼
..	....	Pelissiers, c.	25	½	½	½
..	....	San Antonio	1432	.65	.63	.63
..	....	Winnipeg Elec., pref.	12	16	16	16

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumb. pf.	..	80½
Can. Fire Ins.	60	68
Can. Nat. Fire	14	..
City Dairy 7% pf.	..	50
City Dairy 8% pf.	..	80
Corporate Steel c.	..	5
Crescent Cream pf	..	70
Great West Life	230	250
Home Invest. & Sav.	25	..
Monarch Life 10% paid	18	..
Nor. Can. Mtg. pf.	..	15
Pelissiers pref	10	..

	Bid	Ask
Reliance Grain pf.	55	..
Sovereign Life 25% paid	10	..
Traders Bldg. Assn	70	80
Un. Grain Growers	12½	..
Western Breweries	1	1¼
West. St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	3
Fundamental Series "A"	..	3¼
Fundamental Series "B"	..	3⅞
Grouped Inc. shs.	..	3.73

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Marked Advances in Silk Industry

Marked advances in the silk industry during the present year were reported at the recent annual convention of the Silk Association of Canada at Toronto. P. R. Watson, the retiring president, pointed out that employment had increased 42 per cent and the comparative figures for 18 mills showed that for the first eight months of 1932 the sales of silk stockings had increased by 712,332 pairs with no surplus stocks on hand, factories having rigorously budgeted their production to sales.

Calgary May Have Woollen Mill

Prospects are that Calgary will have a woollen mill employing more than 700 hands in the near future. Alderman R. H. Weir and certain leading citizens are planning to this end. It is said that Dr. A. Oliver, woollen merchant at Galashiels, Scotland, has proposed dismantling one of his plants there and bringing it to Calgary. The equipment could be transferred for about $30,000 he estimates and the plant could, in time, employ 700 hands.

WISCONSIN PLAN INDICATES TREND TO INSURE WORKER

38 Unemployment Insurance Bills Proposed in U. S. in 1931-32

The increasingly larger place which unemployment insurance was holding in the legislative chapters of the United States was reviewed by R. H. Kastner, attorney for the American Life Convention before the annual meeting of that body in Toronto recently last week.

Mr. Kastner outlined the various important steps that had been taken there in this regard in recent months and outlined particularly the famous Wisconsin plan which has created international interest for its sweeping and novel provisions.

His remarks were in part as follows:

"The matter of unemployment insurance, or the security of benefits for those out of work, again looms prominently upon the legislative horizon, as demand for enactments of this type become more insistent. Congress and seven state jurisdictions considered some 38 bills treating of the subject in one or more of its aspects.

Wisconsin Plan

"Wisconsin alone saw fit to enact legislation thereon. That state, apparently, desirous of being the first to experiment in this country, has decreed by legislative edict the compulsion of an unemployment insurance reserve, which is to take effect on July 1, 1933, unless prior thereto; 175,000 employees are covered by approved voluntary unemployment insurance plans. Provision is made for the payment by every employer of 10 or more persons (employees receiving $1,500 or more per year as salaries excluded), to the State Industrial Commission of an amount equal to 2% of the annual payroll for two years, and lesser sums thereafter. Maximum benefits are fixed at $100 during any one calendar year.

"Employers may obtain exemption from most of the compulsory features of the Act by setting up plans as heretofore mentioned or by guaranteeing to eligible employees at least 42 weeks' work or wages in any one year. One of the astounding provisions in the act is the prohibition against insuring the liability to pay benefits or wages in any insurance company, penalty being the automatic revocation of the exemption accorded such a company. We shall watch with interest the outcome of this interesting law. It is indeed unique in formula.

"A Louisiana legislative committee has been appointed to study the feasibility of enacting unemployment insurance in the state, report to be made not later than 1934, but a similar Pennsylvania resolution made only one of the legislative hurdles, while a proposed New York Commission to investigate the most practical and efficient method of providing security against unemployment, old age relief, and against sickness and disability and suggested legislation providing for such benefits did not materialize.

"The American Federation of Labor, as evidenced by a recent address of its president, has reversed its former position and now favors unemployment insurance, which it has heretofore frowned upon because of its thought that labor could more easily bargain with employers without state aid. The Federation indicates that it will now sponsor legislation looking toward compulsory nation-wide unemployment insurance, which no less an authority than Senator Hebert of Rhode Island, who heads the Senate Committee studying the problem, has estimated would add approximately $700,000,000 to the tax burden of the American people."

Sixty Million Policyholders Attest Civilization's Growth

H. A. Behrens, president of the Continental Assurance Co. of Chicago, speaking on the "Reserve Power of Life Insurance," said:

"We have some sixty million or more people in our two countries who have voluntarily adopted for the protection of themselves and of those dependent upon them a form of financial procedure which entails systematic saving, systematic thrift and often systematic self-denial. This fact breeds stability of purpose and character in the individual, while it accentuates the value of permanence and order in government, and the self interest of the individual, if nothing else, renders him conscious of civic and moral responsibility to the future. The individual is conscious to the extent that he acts, and often, by the making of financial sacrifices. This is a picture that has not often, if ever, been presented in history.

"Here is substantial ground for the conviction that our civilization has made progress. It is this fact that I call to your attention as a constructive step toward the curing of the ills referred to. It is the substantial contribution of life insurance policyholders to the continued advancement of civilization and the peace and comfort and happiness that goes with it. It is not an experiment, but an actual fact. It is not a promise, nor a theory, nor a philosophy, but an actual achievement."

Makes Bitter Attack on Premium Taxation

Laurence F. Lee, president of the Occidental Life Insurance Co. of North Carolina made a bitter attack on premium tax on life policies. He said:

"The premium tax is the most vicious and insidious form of taxation. It is a tax upon widows and orphans. It is an addition to a man's funeral bill. It is a penalty against thrift. More than $50,000,000 is pilfered annually from the most sacred of all funds through the so-called premium tax. Certainly if the cause is clearly presented to the thinking men of the legislatures and the truth is brought home to him that this tax is not paid by a great corporation or by rich stockholders but on the contrary he is taking it from the cash reserve that he and each of his friends are accumulating in their life insurance policies, or from his widow and orphans, that man would seek other sources of revenue for the state.

"I have said $50,000,000 dollars is paid annually in premium taxes. $50,000,000 paid in life insurance premiums instead of in premium taxes would purchase $2,347,422,000 of life insurance on the ordinary life plan at age 35. This would do the country vastly more good than these taxes. Here, certainly, is a problem for the legal department. You lawyers, better than anyone else, can understand and appreciate what a premium tax actually is and does and you better than anyone else can make the legislator understand the real effect of his act when he votes for such a tax."

Foster Urges Policyholders To Pay Off Policy Loans

R. Leighton Foster, Ontario Superintendent of Insurance.—Life insurance companies have come to represent the last line of defence. They have been called upon to act as general bankers to their policyholders on a scale never before dreamed of, and have experienced a tremendous cash drain to a point where they have had little or no surplus income for investment purposes and in some cases have had to realize upon securities to a limited extent. For years we have been saying that the function of the life insurance companies was to act as great reservoirs of the nation's thrift. But no one could have anticipated that the reservoir would be tapped as generously as it has been since 1929.

And yet today the institution of life insurance stands higher in the confidence of the public than it ever did. Not one policyholder of any legal reserve life insurance company in the United States or in Canada has failed to receive every dollar to which he was entitled under the terms of any life insurance policy maturing during the past three years. It has been the proud boast of Canadian life insurance companies that no policyholder has failed to receive full benefit promised under his policy since Confederation in 1867. I am not informed as to the record in the United States so far back. In any event, the continent-wide record of life insurance during the past three years is a fitting climax to this record of achievement.

"There is every indication that the bottom of the depression has been reached and that we are on the upgrade. Accordingly the time is now appropriate to warn the public that they should cease at the earliest possible moment using their life insurance companies as their bankers. The loan privilege in the life insurance policy is a boon to be used only in emergency. The emergency is at least on the eve of termination. It has terminated for thousands of individuals in recent months. I would urge all life insurance policyholders to conserve the protection afforded by their policies by paying off their policy loans as soon as possible. And to those unfortunates who have found it necessary to ask for and receive the surrender values on their policies, I would say 'Replace the protection formerly afforded by your life insurance policies as one of your first acts now or as soon as your personal fortunes turn the corner.'"

Premium Tax Solution Rests With Policyholders

C. G. Morgan Wynne, of the taxation department of the Sun Life Assurance Company, told members of the convention that they should place before the policyholder in no indefinite manner his responsibility in the matter of taxes imposed by his state or province of residence. Referring to the premium tax he said: "I am convinced that great interest could be aroused in this tax. It could be pointed out to the policyholder in the form of bulletins what tax is being borne by him. He should be told that a tax of one per cent on $100 premiums in 20 years would bear $34.71 tax; and at 2 per cent $69.42 tax; and at 3 per cent $104.13 tax.

"It is probable that the premium tax situation is a matter that may be better adjusted if placed in the hands of the policyholder. He is the man who can make effective submissions to his legislative representative regarding it."

Canadian Indemnity Change Dividend Date to December

Canadian Indemnity Co. of Winnipeg have deferred action in regard to a dividend on their shares until December and announce that in future no dividend action will be taken until that month.

In explanation of this move it is pointed out that at one time the company's principal business was hail insurance and the liability under this contract terminated Sept. 15 which enabled the company to approximate earnings for the year and also to take dividend action ~~at that~~ time. As the volume of hail business now written in relation to the company's general business is negligible, the directors have decided that in future dividend action will be considered in December. Last year 6 per cent was paid on this stock.

The company reports very satisfactory earnings to date this year according to C. S. Riley, managing director.

Elected Chairman

C. S. MACDONALD

President of the Confederation Life Association, who was last week elected chairman of the financial section of the American Life Convention.

Insurance Inklings

COLIN C. O'NEIL was elected president of the Sarnia branch of the Life Underwriters' Association of Canada at their annual meeting recently. Robert J. Wilkinson is vice-president and Aubrey W. Oldham secretary-treasurer.

A. N. McKINLEY has been appointed manager for southern Alberta for the Empire Life Insurance Co.

F. W. HACKETT, Montreal lawyer, has been elected vice-president of the Internationad Association of Insurance Counsel. He succeeds Louis S. St. Laurent, K.C., as the Canadian representative on the executive of this international organization.

MONTREAL BRANCH of the Crown Life Insurance Co. has an unique achievement to its credit in winning the two major trophies, emblematic of the greatest annual production of paid-for business. John Carreau won the cup for the larger division and M. Dickstein for the smaller.

Dominion Life Assurance Co., Waterloo, will add to their available floor space when alterations and improvements are completed on an adjoining building It is proposed to move the printing and hollerith departments to the new building.

JOHN C. K. McNAUGHT has been admitted to junior partnership of Reed, Shaw & McNaught, Insurance Brokers, Toronto. Mr. McNaught is a son of one of the original partners, C. B. McNaught.

J. ALLAN ROSS has been re-elected to the board of directors of the Canadian General Insurance Co. Mr. Ross was formerly a director but retired due to pressure of business.

Can. Institute of Insurance Announces New Courses

Canadian Institute of Insurance, Winnipeg, recently mailed out its syllabus for the present season. These courses are for those interested in insurance living in cities and towns where there are no local institutions and are carried on by a correspondence plan.

Officers for this season are: Honorary president, E. P. Withrow, Dominion of Canada General Ins.; president, W. B. Lowry, Insurance Co. of North America; vice-president, N. J. Black, Commercial Union Assurance Co.; secretary, Thos. E. D. Boys, Western Canada Insurance Underwriters' Association; treasurer, Chas. R. Francis, Canadian Fire Insurance Co.

Alberta Fire Commissioner Reports Active Year

Fire loss in Alberta for 1931 totalled $3,131,729 as against $3,111,351 the previous year, according to the annual report of the fire commissioner of the province. The number of fires increased from 2,055 in 1930 to 2,067 in 1931.

The showing is considered encouraging in view of prevailing conditions and the fact that a substantial reduction of $1,163,000 in loss was recorded in 1930 as compared with 1929. Some 26 deaths occurred in the province during the year.

During the year, some 113 fire losses of suspicious origin were investigated and 36 informations and complaints were laid charging persons with either arson, false pretenses, etc. Twenty convictions were obtained. During the year the commissioner and his officials inspected 914 towns, villages and cities in the province, in addition to 115 government properties and 7 government institutions.

Canada Meat Consumption Up 54,000,000 lbs. in 1931

The consumption of meats in Canada in 1931 was estimated at 1,540 million pounds, an increase of 54 million pounds over the estimate for the previous year. Beef figures showed a decrease, and pork and mutton figures an increase. The per capita consumption of meats was estimated at 148.46 pounds for 1931 compared with 145.64 pounds in the previous year. The per capita consumption of beef was 57.94 (65.79) pounds; pork 83.49 (72.93) pounds; mutton and lamb 7.03 (6.92) pounds; the figures within brackets being those of 1930. The corresponding figures for other animal products in 1931 were as follows: Poultry 114,483,000 pounds or 11.04 pounds per capita; butter 314 million pounds or 30.24 pounds per capita; cheese 36 million pounds or 3.44 pounds per capita; and eggs 311 million dozen or 30.02 dozen per capita.

Heavy Use of Chemicals

Chemicals used in the manufacture of woodpulp in Canada during 1931 had a value of $7,523,959. The principal item of purchase was sulphur with a value of $3,118,471, followed by liquid chlorine to the value of $932,860.

Mining Stock Quotations

Week Ending October 10

Par Val.	Range High	1932 Low	Company	Sales	Close Oct. 3 (or last)	High for week	Low for week	Close Oct. 10
1	.06	.03	Abana	1,600	.05	.05	.04½	.04½
1	.03	.00½	Aconda	500	.01½	.01½	.01½	.01½
No	.15	.15	Aldermac	......	.15	......	......	......
No	.20	.08	Algoma	99,500	.08	.08½	.08	.08½
1	.09	.00¾	Alexandria	13,500	.02½	.03	.02½	.02½
1	.01½	.00½	Algonquin	......	.00½	......	......	......
1	.01½	.00½	Amity C	......	.01	......	......	......
No	.36	.06	Amulet	14,250	.22	.24½	.20	.20
1	.00½	.00½	Apex	3,000	.00½	.00½	.00½	.00½
1	.04	.01	Area	3,000	.03	.02½	.02½	.02½
	.03½	.00½	Arno	30,200	.02½	.02½	.02½	.02½
1	.02½	.02	Astoria Rouyn	......	.02½	......	......	......
1	.07	.02½	Bagamac	......	.02½	......	......	......
1	.01½	.00½	Baldwin	1,500	.01	.01	.00½	.00½
1	.12	.03½	Barry Hollinger	15,150	.04½	.04½	.04	.04½
No	1.45	.30	Base Metals	750	1.10	1.10	1.00	1.05
No	.12	.01	Bidgood	19,300	.02½	.02½	.02	.02
1	.21	.04	Big Missouri	5,800	.14½	.15	.13	.13
1	.11½	.02	Bobjo	52,100	.10½	.11½	.09	.09
1	.23	.02½	Brett Trethewey	23,900	.18	.18	.16	.17
No	.03	.00½	Brownlee	28,500	.01½	.02½	.01½	.01½
1	.01	.00½	Buckingham	......	.00½	......	......	......
No	.36	.02	Buffalo Can.	6,000	.03	.03	.02½	.02½
No	.04	.01	Bunker Hill	3,500	.02½	.02½	.02½	.02½
5s	1.03	.10	B'Wana McKubwa	......	.80	......	......	......
No	.01	.00½	Cal. Flin Flon	......	.01	......	......	......
No	.04	.02	Canam Metals	......	.02	......	......	......
1	.04	.01½	Can. Kirkland	14,000	.01½	.02½	.02	.02½
1	.09	.00½	Canusa	2,500	.03½	.03½	.03	.03
No	.02½	.00½	Capital Rouyn	1,500	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	100	.03	.03	.03	.03
1	.21	.09	Castle Trethewey	2,100	.16	.17	.16½	.16½
1	.09½	.04	Cen. Manitoba	5,400	.06	.06	.04½	.05
1	.16	.02	Cen. Patricia	24,425	.14½	.16	.12½	.13½
No	.07½	.01½	Chibougamau Pros.	......	.04	......	......	......
No	.02	.00½	Clericy	21,500	.01	.01½	.01½	.01½
5	5.00	.45	Coast Copper	400	2.90	2.60	2.50	2.60
1	.02½	.00½	Cobalt Contact	1,000	.01½	.01½	.01½	.01½
No	.16	.15	Cobuc	......	.15½	......	......	......
1	.11½	.03	Columario	32,300	.06	.11½	.06	.11½
5	1.10	.69	Coniagas	100	1.10	1.05	1.05	1.05
No	.50	.25	Coniaurum	1,100	.30	.35	.28	.28
25	102.00	25.00	Cons. Smelters	2,248	80.00	82.00	71.50	72.00
No	13.25	9.00	Dome Mines	5,685	12.60	12.70	11.85	12.00
No	.10	.02	Dom. Explorers	10,000	.04½	.04½	.04½	.04½
	.00½	.00½	Dominion Kirk.	......	.00½	......	......	......
1	.04	.00½	Don Rouyn	......	.03	......	......	......
	.04	.03	Duparquet	......	.03	......	......	......
1	1.60	.76	Eldorado	10,875	1.25	1.40	1.26	1.28
No	2.40	.47	Falconbridge	10,210	1.88	2.10	1.75	1.80
1	.04	.00½	Federal	20,500	.01	.01	.01	.01
No	.00½	.00½	Flintoba	......	.00½	......	......	......
No	.07	.00½	Gem. Lake	......	.01½	......	......	......
1	.03	.00½	Goldale	......	.01½	......	......	......
10	.24	.05½	Goldfield	......	.22	......	......	......
1	.00½	.00½	Gold Hill	......	.00½	......	......	......
1	.04	.02	Goodfish	3,000	.03	.03	.03	.03
1	.03½	.00½	Graham	......	.01½	......	......	......
1	1.25	.50	Granada	2,950	.78	.78	.70	.70
1	.22	.06	Grozelle	500	.09	.07	.07	.07
1	.03½	.01	Harker	3,000	.02½	.02½	.02½	.02½
1	.01½	.00½	Hilltop	4,000	.00¾	.00¾	.00½	.00½
5	5.30	4.25	Hollinger	5,058	5.25	5.30	5.05	5.10
1	.72	.26	Howey Gold	16,850	.60	.62	.55	.55
No	5.30	.92	Hudson Bay	3,325	3.60	3.85	3.40	3.40
No	.20	.13	Huronian	......	.13	......	......	......
No	13.50	4.00	Int. Nickel	38,739	10.25	10.50	8.62	8.75
1	.01½	.00½	Jackson Manion	3,000	.01	.01	.01	.01
1	.25	.20	Keeley	......	.22	......	......	......
1	.02½	.00½	Keora Mines	4,500	.01½	.01½	.01	.01
1	.70	.40	Kirk. Hud. Bay	100	.50	.52	.52	.52
1	.02½	.00½	Kirk. Hunton	500	.01	.00¾	.00¾	.00¾
1	.55	.19	Kirkland Lake	19,690	.28	.30	.27	.28
1	.03½	.00½	Kirkland Premier	3,000	.02	.02	.02	.02
1	.13	.05	Kirk. Townsite	2,500	.08	.08	.08	.08
20c	.01½	.00½	Koot. Florence	7,000	.00¾	.00½	.00½	.00½
1	.01½	.00½	La Rose	......	.01½	......	......	......
1	.41	.14	Lakeland	......	.25	......	......	......
1	30.25	24.90	Lake Shore	2,855	29.50	29.70	29.25	29.50
1	.00½	.00½	Laval	......	.00½	......	......	......
1	.07	.01½	Lebel Oro	......	.01½	......	......	......
1	.41	.13	Macassa	8,700	.20	.19½	.18	.19½
1	.07	.02½	Malartic	15,000	.03½	.03½	.03½	.03½
1	.04	.00½	Malrobic	98,500	.03½	.03½	.03	.03
No	.08	.02	Mandy	500	.06	.07	.07	.07
No	.02	.00½	Manitoba Basin	19,500	.01	.01½	.01	.01
5	21.35	14.70	McIntyre	835	18.10	18.25	18.00	18.25
1	.35	.25	McKinley	......	.30	......	......	......
No	.09½	.02	McLeod River	62,800	.04	.05½	.04	.05
No	1.85	.58	Mining Corp.	3,637	1.45	1.45	1.35	1.35
1	.08½	.01½	Moffatt Hall	27,800	.02½	.02½	.02	.02½
1	.02½	.02	Moneta	......	.02	......	......	......
1	.45	.19½	Moss	15,810	.28	.27	.25	.26
1	.02½	.00½	Murphy	4,000	.01	.01	.01	.01
No	.06½	.01	Newbec	42,700	.05½	.06½	.05½	.06
5	1.48	.50	Nipissing	990	1.25	1.23	1.10	1.10
No	23.25	12.50	Noranda	16,874	20.35	20.90	18.90	19.00
No	.36	.10	Nor. Canada	21,600	.35	.35½	.33	.33
No	.01	.00½	Old Colony	......	.00½	......	......	......
1	.09	.05	Osisko	1,000	.08	.07	.07	.07
1	.17	.07	Parkhill	......	.13½	......	......	......
1	.13½	.11	Patricia Dent	......	.13	......	......	......
1	.02	.01	Pawnee Kirk.	......	.01½	......	......	......
No	1.25	.35	Pend Oreille	2,700	.75	1.00	.80	.90
1	.01½	.00½	Peterson Cobalt	......	.00½	......	......	......
1	4.35	3.00	Pioneer Gold B.C.	6,275	3.99	4.35	3.98	4.35
1	.00½	.00½	Porcupine Crown	......	.00½	......	......	......
1	.02	.00½	Potter Doal	......	.01	......	......	......
1	.12	.12	Powell Rouyn	......	.12	......	......	......
1	.75	.32	Premier Gold	3,800	.57	.60	.56	.58
1	.00¾	.00½	Preston E. Dome	......	.00¾	......	......	......
No	.30	.15	Prospectors Air's	......	.18	......	......	......
No	1.00	1.00	Quebec Pros.	......	1.00	......	......	......
No	.10	.03	Quemont	......	.05	......	......	......
1	.02½	.00½	Ribago	11,500	.01	.01	.00¾	.00¾
1	.02½	.01	Ritchie	2,500	.01½	.01½	.01½	.01½
1	.01½	.00½	Robb Montbray	2,400	.01½	.01½	.01	.01½
1	.70	.25	San Antonio	4,750	.62	.65	.60	.60
1	.09	.07½	Seven Troughs	......	.07½	......	......	......
1	.77	.18	Sherritt Gordon	28,881	.56½	.57½	.50	.52
1	1.00	.50	Siscoe	85,210	.77	.79	.69½	.70
1	.06½	.00½	South Keora	4,600	.04½	.04½	.04	.04
No	.02½	.00½	Stadacona	19,300	.02	.02½	.02	.02
1	.17	.05	St. Anthony	1,000	.07	.06	.06	.06
No	.90	.16	Sudbury Basin	4,250	.65	.67	.60	.60
1	.02½	.00½	Sudbury Contact	......	.02½	......	......	......
1	.01	.00½	Sudbury Mines	......	.00½	......	......	......
1	.22	.07	Sullivan	6,800	.14	.14	.12	.12

Par Val.	Range High	1932 Low	Company	Sales	Close Oct. 3 (or last)	High for week	Low for week	Close Oct. 10
1	.87	.39	Sylvanite	9,900	.72	.73	.65	.65
1	.07	.01	Tashota	8,500	.02½	.02½	.02½	.02½
1	5.25	3.10	Teck Hughes	17,740	3.27	3.40	3.25	3.32
1	.07½	.02	Thom. Cadillac	......	.04	......	......	......
1	.40	.10	Towagmac	100	.20	.21	.21	.21
1	3.00	1.01	Treadwell	550	1.95	1.75	1.25	1.25
1	.09½	.02	United Kirkland	......	.05	......	......	......
1	.10	.00½	Vacuum Gas	18,705	.07½	.08	.07	.07½
No	1.10	.16	Ventures	34,800	.77	.81	.68	.69
1	.18	.04	Vickers	2,000	.14	.13	.13	.13
1	.45	.20	Vipond	2,700	.30	.27	.24	.24
No	1.01	.25	Waite Ackerman	1,000	.60	.65	.50	.50
1	.08	.01	White Lake	1,000	.04	.04½	.04½	.04½
1	.01	.01	Wiltsey Coughlan	......	.01	......	......	......
	.10	.04½	Wood Kirkland	500	.07	.06	.06	.06
No	3.15	2.09	Wright-Hargreaves	7,340	2.89	2.90	2.75	2.80
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	11,000	.13	.13	.12	.12
1	1.17	.60	Ajax	6,000	.80	.80	.70	.70
1	.18	.04½	Alta. Pacific	......	.12	......	......	......
1	.03½	.02½	Askalta	......	.03½	......	......	......
No	.20	.02	Associated	3,500	.09½	.10	.07½	.07½
No	.09	.01	Baltac	......	.02½	......	......	......
	.05½	.00½	Benton	......	.00½	......	......	......
1	.05	.02½	Brit. Dominion	......	.03½	......	......	......
No	.60	.14	Calgary & Ed.	350	.40	.40	.40	.40
1	.15	.04	Calmont	......	.06	......	......	......
1	.14	.03	Common. Pete.	......	.07	......	......	......
No	.40	.05½	Dalhousie	......	.21	......	......	......
No	.10	.01	Devenish	......	.03	......	......	......
No	.02	.00½	Dome Oil	......	.00½	......	......	......
No	.16	.04	East Crest	......	.10	......	......	......
No	.01½	.00½	Fabyan Pete	......	.01½	......	......	......
No	.25	.05	Foothills	......	.15	......	......	......
No	.03½	.02	Freehold	......	.02	......	......	......
1	.02	.00½	Great West	......	.00½	......	......	......
No	.06½	.03	Hargal	......	.03	......	......	......
No	.05	.02	High Sarcee	......	.02	......	......	......
No	.85	.15	Home	970	.50	.50	.47	.47
No	.05	.01½	Homestead	......	.01½	......	......	......
1	.50	.09	Homestead O & G.	103,650	.21½	.32½	.20½	.31½
1	.01	.00½	Illinois Alberta	......	.00½	......	......	......
No	.02½	.00½	Lethbridge	......	.00½	......	......	......
No	.10	.04	Lowery	......	.10	......	......	......
No	.02	.00½	Madison	......	.00½	......	......	......
1	.32	.05½	Mayland	......	.24	......	......	......
No	.04	.01	McD. Segur Ex.	......	.01½	......	......	......
1	.04½	.01	McD. Segur N.	......	.01	......	......	......
1	.50	.18	McLeod	......	.18	......	......	......
No	.10½	.06½	Mercury	......	.07½	......	......	......
No	.22	.06	Merland	11,500	.19	.20½	.18½	.20
No	.15	.08½	Mill City Pete.	......	.08½	......	......	......
1	.20	.12½	Model	......	.13	......	......	......
1	.05	.04	Monalta	......	.05	......	......	......
1	.07	.03	Moose Mountain	......	.03	......	......	......
1	.01	.01	New Federal	......	.01	......	......	......
5	1.50	.04	Nordon	80,900	.08	.11	.08	.10½
No	.06	.02	Oil Selection	6,500	.04	.04	.03½	.03½
No	.05	.02½	Okalta	......	.03	......	......	......
100	15.00	15.00	Do., Pref.	......	15.00	......	......	......
No	.32	.09	Olga Gas & Oil	5,500	.15	.16	.13½	.13½
No	.20	.02	Penn. Pete.	60,270	.11	.12½	.10	.11
No	20.00	20.00	Perfection Pete, Pfd.	......	20.00	......	......	......
1	.28	.12	Petrol Oil & Gas	500	.15	.14½	.14½	.14½
No	.14	.09	Ranchmen's	......	.09	......	......	......
1	.01	.00½	Regent	......	.00½	......	......	......
No	.02½	.01	Richfield	......	.01	......	......	......
No	9.85	3.95	Royalite	3,447	8.00	8.05	8.00	8.00
1	.29½	.05	Sarnia Oil	1,500	.15	.15	.14½	.15
1	.03	.01	Signal Hill	......	.01	......	......	......
	.12	.05	South West Pete.	500	.05	.05	.05	.05
1	.20	.10	Spooner	......	.15	......	......	......
No	.21	.06	Sterling Pacific	100	.16	.15	.15	.15
1	.11	.07½	Turner Valley	......	.07½	......	......	......
No	.08	.03	United	......	.03	......	......	......
1	.09½	.03	Vulcan	......	.03	......	......	......
No	.02½	.00½	Wainwell	......	.01½	......	......	......
			VANCOUVER STOCK EXCHANGE (Transaction for Week to October 4)					
25c	.00½	.00½	Bayview	......	.00½	......	......	......
20c	.05½	.03½	Beaver Silver	14,000	.03½	.03½	.03½	.03½
25c	.04	.01	Bluebird	200	.03	.04	.04	.04
No	.81	.50	Bralorne	5,092	.60	.60	.50	.52
1	.12	.04	Bridge River Cons.	21,000	.05	.05½	.05	.05
25c	.01½	.01	Cork Province	......	.01	......	......	......
1	.13	.02	Cotton Belt	......	.03	......	......	......
	.01½	.01	Dalhousie Mines	......	.01½	......	......	......
1	1.00	.15	George Copper	1,700	.82	.62	.62	.62
50c	.02	.01	Geo. Enterprise	......	.01	......	......	......
1	.05	.02	Georgia River	184,550	.03½	.04½	.03½	.04
1	.35	.10	Golconda	500	.20	.20	.19	.19
50c	.08	.02	Grandview	9,100	.05	.05	.04½	.04½
1	.01	.00½	Independence	......	.00½	......	......	......
1	.01½	.01	Indian Mines	......	.01	......	......	......
1	.13	.08	Inter. Coal	200	.12½	.13	.12	.13
1	.21	.21	Jack Waite	......	.21	......	......	......
25c	.00½	.00½	Kootenay King	......	.00½	......	......	......
10c	.04	.01	Lucky Jim	......	.03½	......	......	......
5c	.12	.04	Metaline Metals	1,000	.07	.06½	.06½	.06½
1	.03	.00½	Morton Woolsey	2,500	.01½	.01	.01	.01
50c	.03½	.00½	National Silver	37,500	.02	.02½	.02	.02½
50c	.08½	.02	Noble Five	21,800	.04	.04½	.04	.04
50c	.01	.00½	Oregon Copper	......	.00½	......	......	......
1	4.11	3.00	Pioneer Gold	3,550	3.90	4.05	3.90	3.95
50c	.08½	.02	Porter Idaho	500	.06½	.06½	.06½	.06½
No	.01	.00½	Premier Border	......	.00½	......	......	......
No	.35	.07½	Reeves McDonald	......	.21	......	......	......
50c	.60	.21½	Reno Gold	26,830	.55	.56½	.54	.55
1	.02½	.00½	Rufus Argenta	......	.01¾	......	......	......
1	.05	.02½	Ruth Hope	1,500	.03½	.03½	.03	.03½
1	.05	.03	Silverado	......	.05	......	......	......
25c	.02½	.01	Silver Crest	3,000	.02	.01½	.01½	.01½
50c	.02½	.00½	Snowflake	220,000	.01½	.01½	.01½	.01½
1	.79	.60	Sunloch	......	.75	......	......	......
20c	.02½	.00½	Wellington	......	.02	......	......	......
1	.06½	.00½	Whitewater	......	.05	......	......	......

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Petrol Oil	1c.	....
Coniaurum	3c.	....	Premier	12c.	20.69
Dome Mines	$1+10c.	9.16	Pioneer, B.C.	12c.	2.75
Hollinger	65c.	12.74	Royalite	50c.	....
Howe Sound	40c.	....	Siscoe	4c.	....
Lake Shore	$2+50c.	8.47	Sterling Pac. Oil	2½c.	....
McIntyre	$1.50	8.21	Sylvanite	4+½c.	6.92
McLeod Oils	5c.	....	Teck Hughes	60c.	18.07
Noranda	50c.	2.63	Wright-Har.	10+2½c.	4.46

CANADIAN INTER. INVESTMENT ADDS TO SURPLUS ACCT.

$150,000 of Bonds Has Been Retired in Past Six Months

Gross revenue of Canadian International Investment Trust Ltd. in the six months ended August 31, 1932, was $92,541, which is 26.6 per cent below gross revenue in the corresponding period of 1931 which amounted to $126,064 according to a letter forwarded to shareholders by W. C. Pitfield, president of the company. After deducting operating expenses, bond interest and miscellaneous write-offs there remained $33.725 in the first half of the current fiscal year to be added to surplus as compared with net profit of $62,618 available for preferred dividends in the same period of 1931. Earnings in the first half of the current year represent some 73 per cent of preferred dividend requirements, or about $1.86 per share.

In the first half of the current year the company has retired $150,000 principal amount of the 5 per cent series "A" first collateral trust bonds of which there was $2.025,000 outstanding at February 29, 1932. It is stated that the bonds retired were purchased at a substantial discount from par. Reduction in funded debt has been accomplished without a corresponding decrease in highly liquid assets and holdings of Canadian Government bonds have been increased during the period and call loans and cash at $58,678 show a decrease of only $23,695.

New Shares Ready

Certificates representing the new no par value common shares are now available and shareholders are asked to forward certificates for the old $10 par value shares to the Royal Trust Co., Montreal, acting as transfer agent for the exchange. On March 15, 1932, shareholders agreed to a reduction in par value of the common shares from $10 to $1 and to subsequent conversion of the $1 par value shares to common shares of no par value. This reduced the outstanding common capitalization of the company from $1,200,102 to $120,012 and resulted in establishment of a capital surplus of $1,080,108 which was transferred to investment reserve account.

No balance sheet as at August 31, 1932, or complete income and surplus account for the first six months of the current fiscal year has been issued. In 1931 and 1930 a semi-annual statement was issued. The investments of the trust are understood to have shown satisfactory appreciation during the past few months.

NEW BRUNSWICK DRAWS TOURISTS

Only Small Decline Reported Up to the End of September

From Our Own Correspondent

MONTREAL—Tourist traffic from the United States into New Brunswick for the nine months of 1932, ending Sept. 30, showed a decrease of 11 per cent compared with the corresponding period of last year.

The decrease in tourist trade this year was anticipated in view of the general economic conditions prevailing in the United States and the additional factor that this is a Presidential election year. New Brunswick, however, has not been so hard hit in the development of the tourist industry this year as other parts of Canada, and the decrease in the number of tourists in the province during the last few months has been less proportionately than in nearly every other part of the Dominion.

Northern Part Attracts

The northern part of New Brunswick has enjoyed one of its best tourist seasons in 1932, judging from the reports compiled by the New Brunswick Government Bureau of Information and Tourist Travel. In the Bathurst area particularly hotel keepers stated that the tourist trade this year was even better than last. The publicity given to the Youghal Beach last winter and in the advertising campaign of the Bureau of Information this year resulted in a large number of Montreal and Quebec tourists journeying to that section of New Brunswick for their summer vacation.

For the nine months' period, 43,455 United States tourist cars entered New Brunswick for a period of more than 24 hours and not exceeding 60 days. This compares with a total of 48,885 up to Sept. 30, 1931. In 1930 the total number of tourist cars from the United States for the corresponding period was 44,098.

MONTREAL COAL IMPORTS HEAVIER

Returns to Date Establish Record for British Imports

From Our Own Correspondent

MONTREAL — Receipts of British anthracite coal at the port of Montreal to date have exceeded that brought in during any other season of navigation, according to returns compiled by the Montreal Harbour Commission.

The total at the end of September was 830,609 tons and expectations are that cargoes to be landed in Montreal between now and the end of November will raise this total to over 1,000,000 tons. This year's anthracite receipts are already 270,941 tons ahead of last season to the same date. They are also higher by 141,776 tons than the total imports for 1931, and 89,806 tons in advance of the 1930 figure, which was the former port record.

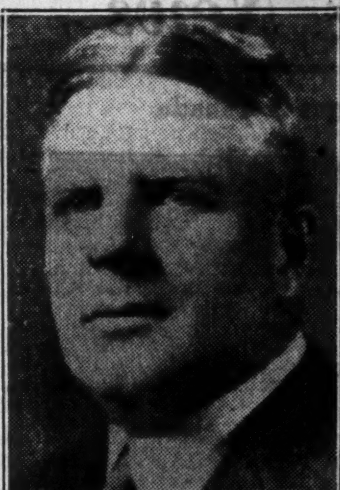
Daily Average 4,631 Tons

The amount of anthracite landed on the harbor wharves last month was 138,939 tons, which compares with 83,504 tons in the corresponding period last year and indicates an average daily discharge of 4,631 tons. July was the best month of the present season, however, with imports of 182,326 tons, August coming second with 161,917 tons. Although there has been a steady decline from the peak, it is confidently expected that the necessary 170,000 tons to bring the year's total to 1,000,000 will be received in Montreal.

Ontario Sells Much Tobacco

More than $6,000,000 is expected to pour into the pockets of Norfolk, Elgin and South Oxford tobacco growers this year as a result of one of the largest and most successfully marketed crops of fine flue-cured tobacco ever produced in Ontario. Already a quarter of this drop has been bespoken by American dealers, while England is buying on a large scale.

Directs Montreal Harbor



JOHN C. NEWMAN

President of General Steel Wares, who has been named chairman of the Montreal Harbor Commission.

Central Vermont Rly. Elect New Executive

From Our Own Correspondent

MONTREAL — S. J. Hungerford, acting president of the Canadian National Railways, has been elected president of the Central Vermont Railway succeeding Sir Henry Thornton.

At the same meeting of the board of directors, Edmund Deschenes, manager and comptroller of the Central Vermont was elected to the board, as also was D. C. Grant, vice-president in charge of finances for the Canadian National System. Mr. Deschenes succeeds Sir Henry Thornton as a member of the board and Mr. Grant succeeds Gerrard Ruel, K.C.

The executive committee was reorganized with Mr. Hungerford as chairman, and Messrs. Deschenes and Grant as members.

Chicoutimi Mills Ltd. Incorporated in Quebec

From Our Own Correspondent

MONTREAL—Incorporation of Chicoutimi Mills Ltd. is announced in the current issue of the Quebec Official Gazette. It is understood that there is a connection between this new company and the Quebec Pulp and Paper Corp., which in turn is jointly controlled by Price Bros. and Co. and Consolidated Paper Corp. Other than that they are interested in the new company, officials of Quebec Pulp say that there is no announcement to be made at this time.

Wide powers are given to the Chicoutimi Mills Ltd. under its letters patent. Primarily it is formed to engage in the manufacture of mechanical and chemical pulp. It is also given powers in respect to mining, development of water power and distribution of electricity, establishment of water works, etc.

Capital stock of Chicoutimi Mills amounts to $100,000 divided into 1,000 shares of par value of $100 each. The head office of the company will be at Chicoutimi.

Export Values Large

Paper and paper products exported from Canada in 1931 had a value of $111,114,042. Of this amount $95,162,756 worth went to the United States, $6,420,779 to the United Kingdom and $9,530,507 to all other countries.

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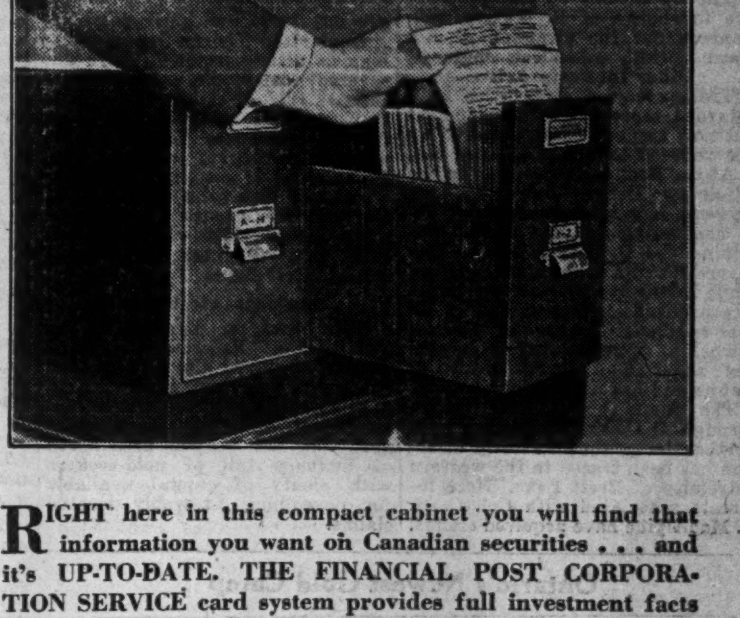

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Canadian Mining News

KENTY PROPERTY IN SWAYZE TWP. WILL SINK SHAFT

Forego Drilling to Sink to 500 Feet in First Programme

NEW ROAD READY

Pioneer Find Paves Way For Several Aggressive Exploration Programmes Under Way

Following a visit to the Kenty Gold Mines property in Swayze township, Ontario, last week, officials of the respective companies interested in the development have decided to forego diamond drilling at present and immediately procure a mining plant and sink a shaft to a depth of 500 feet.

This pioneer property has been under development for the past year by the Brett Trethewey Mines, which holds a 30 per cent interest in the property, but recently the Kenty Gold Mines was formed to facilitate the distribution of interests when it became certain that a major development programme would be inaugurated.

The immediate programme calls for a two compartment shaft to be sunk just south of the No. one vein system, adjacent to Brett Lake, where owing to the southerly pitch of the veins, it is expected that they will be encountered at a depth of about 350 feet. About 1,200 feet northeast of the No. one vein system is the No. two system and while indications point to its being a continuation of the first, the presence of overburden leaves some doubt. Further northeast is the No. three vein system, which has now been traced definitely as being part of the No. two system, giving it a length of approximately 1,600 ft. of vein structure, in addition to the No. one system, 1,200 ft. away.

Where the present shaft is to be sunk the vein averages about six ft. in width with an abundant showing of free gold.

New Road Completed

The new road has just been completed to the property from Sultan on the C. P. R., 21 miles distant. About 10 miles of the road was new but from the old Ridout-Cunningham property the road was cut years ago.

No public financing for the extensive developments planned is being considered. The property was turned over by the vendors—Brett Trethewey Mines, Northern Canada Mining Corp., Northland Prospectors and the Kenty Bros., together with $100,000 cash for working capital, in consideration of 1,500,000 shares out of 3,000,000 shares authorized of Kenty Gold Mines. If further funds are required as work proceeds these associated interests are capable of providing what is necessary.

Another Golden Sidewalk

No area of Ontario has such prospecting activity as the Swayze district. Many finds are being reported in adjacent townships but the Kenty discovery made about a year ago holds first place in importance and recent developments disclose showings that suggest the "golden sidewalk" characteristic of the early days of the Dome Mines. The No. 16 vein, which in earlier work was opened up at widely separated points, has now been attacked in the central or No. two area where the overburden is quite heavy. Here six trenches over a length of 80 ft. disclosed spectacular gold in a quartz vein averaging approximately 5 ft. in width. The finding of such high grade showings over a length of 80 ft. with easterly and westerly extensions over a total distance of approximately a third of a mile gives new importance to the find. An interesting feature shown by recent developments is that under the 10 ft. of overburden the marks of the glacial action, which took place millions of years ago, are clearly visible, both on the rock and its liberally splashed gold surface. This surface gold has been smoothed down by the glacial action as has the rock and the scratched gold is clearly evident.

The operations at the property are in charge of R. Massey Williams under the direction of Edward Corkill, consulting engineer.

Other Interests Active

Transportation difficulties have retarded more active development but now haulage costs from Sultan are reduced to about $15 per ton.

At the Beaumont property in the adjoining Denyes township, the Dyment Mining & Investment Co. is conducting surface work. Adjoining the Dyment interests, McIntyre-Porcupine has staked claims, while farther to the east Sylvanite has acquired a group of claims. In the northeast corner of Denyes township Consolidated Smelters has acquired a large group of claims and has a party at work.

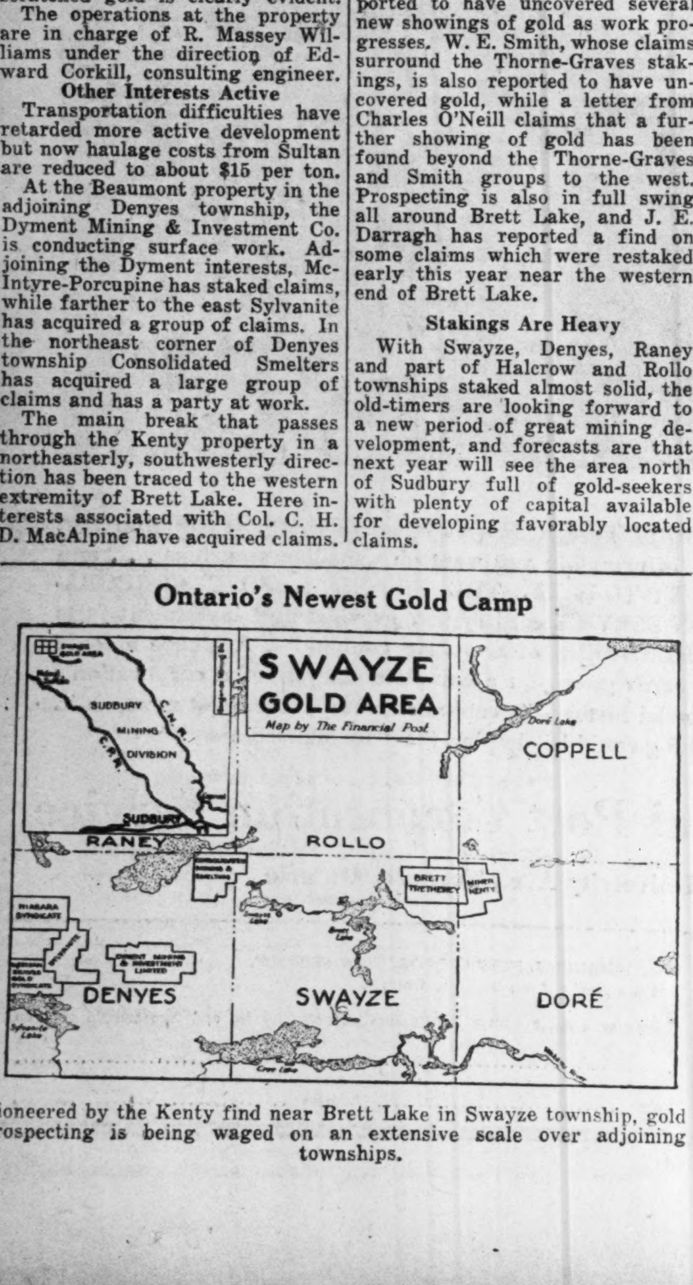
The main break that passes through the Kenty property in a northeasterly, southwesterly direction has been traced to the western extremity of Brett Lake. Here interests associated with Col. C. H. D. MacAlpine have acquired claims.

Meanwhile a crop of rumors is springing up daily about new discoveries in all parts of the new area. The Thorne-Graves Syndicate, owners of the Eclipse property in Raney township, are reported to have uncovered several new showings of gold as work progresses. W. E. Smith, whose claims surround the Thorne-Graves stakings, is also reported to have uncovered gold, while a letter from Charles O'Neill claims that a further showing of gold has been found beyond the Thorne-Graves and Smith groups to the west. Prospecting is also in full swing all around Brett Lake, and J. E. Darragh has reported a find on some claims which were restaked early this year near the western end of Brett Lake.

Stakings Are Heavy

With Swayze, Denyes, Raney and part of Halcrow and Rollo townships staked almost solid, the old-timers are looking forward to a new period of great mining development, and forecasts are that next year will see the area north of Sudbury full of gold-seekers with plenty of capital available for developing favorably located claims.

Ontario's Newest Gold Camp



Pioneered by the Kenty find near Brett Lake in Swayze township, gold prospecting is being waged on an extensive scale over adjoining townships.

Mining Personages in Canada

HERBERT EDWARD TERRICK HAULTAIN, C.E.
Professor of Mining Engineering, University of Toronto

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Ninth of a Series

In appraising the progress of mining in Canada and the achievements of Canadian mining engineers, it would be a grave error to overlook the guiding geniuses who molded the minds and directed the ambitions of the mining men who have been responsible in great part for bringing Canada and its mineral resources to a prominent position among the mineral producing nations of the world.

Mining and the metallurgical processes through which the ores mined must pass become more and more intricate from year to year and call for great ingenuity from those charged with obtaining the highest possible extraction of the minerals at the lowest possible cost. The foundation for modern mining and metallurgical processes is laid in universities and technical institutions. In these institutions of learning are scientists who might have won both renown and wealth if they had pursued their profession in the service of great mining and metallurgical enterprises but they have chosen the teaching profession and their achievements must be measured by the success of their graduates.

Professor Haultain

H. E. T. Haultain, professor of mining engineering at the University of Toronto, had a powerful influence on the careers of many of Canada's most eminent mining men. Not infrequently have his graduates brought credit to their Alma Mater and fortunes for themselves.

In 1908 when the Cobalt Silver camp was squaring away to become one of the most renowned silver camps in the world, the University of Toronto cast about for a head for its newly established mining department. They wanted a man with technical skill, administrative ability and a personality that could win and hold students. The reputation the mining branch of the University of Toronto has won in the past 24 years shows that the choice 24 years ago of Professor Haultain was a wise one.

Innumerable stories could be told of the sacrifices that Professor Haultain has made that he might see this department of the university built up with the reputation it enjoys today. Many students in straightened circumstances have unwittingly had their course made easier through the benevolence of former graduates inspired by this genial professor. His indefatigable energy is known to have caused the province to give one of the finest mining laboratories on the continent to the university.

Professor Haultain was born in Brighton, England, but at an early age he came to Canada and received his public school education at Peterborough. He graduated from the School of Practical Science of the University of Toronto as a civil engineer later to be supplemented by a course in electrical engineering in London, Eng. and later in Germany. It was not until he was articled to a mining engineer in London, Eng., that his interest was aroused in mining. With a sound foundation as civil and electrical engineering behind him he had many responsible mining assignments in Ireland, Bohemia, and South Africa before returning to Canada. He spent some time in Western United States and in British Columbia and it is interesting to know that his interest in mechanics is responsible for many accepted devices used in modern milling practice.

It was largely through Prof. Haultain's efforts that the Technical Service Counsel was formed to aid in establishing graduates in positions in Canada and in reestablishing Canadian graduates who went away to fill positions abroad.

Professor Haultain's life has been spent in the interests of students of mining and after 24 years he is planning still bigger things on behalf of embryo mining engineers, many of them the sons of graduates he taught in former years.

Brigham Resigns Hollinger Position

A. F. Brigham, general manager of Hollinger Consolidated Gold Mines for the past sixteen years, is retiring from that position and moving to Montreal in the capacity of consulting engineer for the company.

John Knox, at present assistant general manager, becomes general manager, but N. A. Timmins, president of Hollinger, stated that the management changes did not involve any change in the company's policy and that the company would still have the benefit of Mr. Brigham's knowledge and experience.

Pioneer Gold Tuning Up New Mill Extension

The new mill addition of Pioneer Gold Mines of B. C., which has been under construction in recent months to increase the capacity from 100 tons daily to 300 tons daily, is now being tuned up and is currently treating approximately 200 tons daily, according to A. E. Bull, vice-president of the company.

Drifting is under way on the 1,625 ft. level, to prospect the new vein encountered this summer at a depth of 1,560 ft. It is said the new vein has not shown as high grade ore as the main vein but adds materially to the ore reserves and the strike indicates that it may merge with the main vein about 250 to 300 ft. to the east. Levels are being established at intervals of 125 ft. down to the 1,625 ft. level, where a new hoist is to be installed and the main shaft deepened a further 500 ft.

Siscoe Production Down in September

Production by Siscoe Gold Mines for the three months ended Sept. 30, was valued at $249,729, exclusive of premium, from 15,927 tons of ore milled. This is an average of 173 tons daily and an average recovery of $15.67 per ton.

The September recovery was $69,182 as compared with $91,491 in August and $89,056 in July.

EXCHANGE DROP LESSENS PROFITS OF GOLD MINES

Premium on Gold Output as Important Source Income Waning

Declining exchange premium on United States funds is having a proportionate effect on the earnings of the Canadian gold producers as the Royal mint at Ottawa pays exchange compensation equivalent to the premium on U. S. exchange.

Ever since Great Britain went off the gold standard a little over a year ago exchange compensation has been an important source of income for the Canadian gold producers. The following tabulation shows that the rate reached a peak of 21.04 per cent in December last and at the present time is only about one-half that rate.

Average U.S. Exchange

	Per cent
1931	
September	4.29
October	12.37
November	12.34
December	21.04
1932	
January	17.28
February	14.50
March	11.66
April	11.17
May	12.98
June	15.18
July	14.68
August	14.09
September	10.80

How important this source of profit has been is better realized when it is considered that in 1931 Canada's gold production amounted to approximately $55,750,000, while the output of 1932 will be close to $63,000,000, which with exchange rates at a high point of 17.28 per cent in January this year meant that this extra profit amounted to as much for some of the gold producers as did the profit from treating the ore.

For instance, a mine recovering $10 in gold per ton of ore milled and having an over-all cost of $6 per ton would have had net earnings increased 25 per cent with exchange at 10 per cent. With the exchange at 17.28, the average for last January, earnings would have been increased 43 per cent. A mine that recovered $8 per ton with costs of $6 per ton, would have its earnings increased by 50 per cent when U. S. funds were at a premium of 10 per cent and would have had earnings increased by 86 per cent by a premium of 17.28 per cent such as prevailed last January.

From the high point of last January U. S. exchange has gradually declined until April, after which it again ascended and in June averaged 15.18 per cent. Since that time exchange has gradually declined with a sharp drop to 10.8 per cent in September.

While this rate still permits of a handsome extra profit for the gold producer its decline to par would have a marked effect on the earnings of those producers with a small margin between cost of production and normal market value of gold.

Prospects for exchange fluctuations are therefore important in estimating net earnings of the gold producers and are a matter of the greatest present concern to investors.

Although the earnings of some of the gold producers were increased as much as 80 per cent by the high exchange rate prevailing, the stock market valuation for this class of security practically ignored the increased earnings position. Had a mine, through the medium of increased capacity or reduced costs, increased its earnings as much as 80 per cent there can be little doubt that the stock market has taken full cognizance of the situation.

Now that the earnings trend is lower through declining exchange rates an interesting question prevails as to whether or not the market will reflect decreased earnings by the gold producers.

Newfoundland Grants Permit Labrador Gold

The Newfoundland Government, convinced that the gold discoveries reported by Captain D. S. Bondurant, of Cairo, Ill., are genuine, has granted him a mining permit over 40 miles of territory in Labrador along the plateau region of Grand Falls.

Before granting the mining permit government engineers carefully examined the report by Captain Bondurant's engineers and checked the assays. The region of the find is said to be some 2,000 ft. above sea level and the government officials are convinced that a rich discovery has been made.

As far back as 1892 A. P. Low conducted exploration in the Grand Falls region and five years later told the Geographical Department of Canada in his report of its potentialities, mentioning especially a vast deposit of iron.

In 1929 the Canadian Government sent an airplane expedition to Labrador to check up the Low report of the iron deposit and ascertained that a mountain range over 300 miles in length and 4 miles in width contained hematite and magnetite. The expedition also confirmed the report of the presence of other minerals including copper, silver, lead and gold. The expedition was conducted at a cost of approximately $75,000, but little information was given to the public.

The reported finding of gold recalls the reputed offer to the Taschereau Government in 1926 designed when an effort was reported to have been made to convince Canada that the purchase of the territory for $110,000,000 would be a good bargain for Quebec and the Dominion.

Prior to referring the boundary dispute case to the Privy Council, Canada could have secured the title to the whole of the country beyond the three-mile limit from Blanc Sablon to Chidley for $50,000,000.

The development of the reported gold find is being watched with interest.

Metal Prices

New York—October 11—
Copper: Electrolytic spot, 6¼c. lb.
London—October 11—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £37.
Standard spot, £32 2s 6d; future, £32 5s.
Tin: Spot, £149 15s; future, £151.
Lead: Spot, £11 17s 6d; future, £12 5s.
Zinc: Spot, £14 15s; future, £15 5s.
Silver: 17-11/16d. per ounce.

LOWER TARIFF FOR LEAD, ZINC BEING OPPOSED

Smelters Head Sees Calamity for Producers if Tariff Reduced

From Our Own Correspondent

VANCOUVER.—British Columbia zinc and lead producers are preparing to fight the proposal said to be considered by the Canadian tariff board to lower the duties on these metals.

Leading the opposition is S. G. Blaylock, vice-president and general manager of Consolidated Mining & Smelting Co., who points out that 80 per cent of this province's production of the two metals is exported and that the most important Canadian market is Montreal, Toronto and the adjacent area. Reduction of the duty would result in shutting the B. C. product from Eastern Canada, where it would be undersold by zinc and lead from Mexico and other countries.

The present duties are ¾ cents per pound preferential and 1 cent per pound general. The effective duty is ¾ cents per pound. United States tariffs prevent the entry of Mexican lead and zinc, but Mexico could make shipments in bond to Canada from United States refineries.

"As the price set by competition in Canada under free trade would be the London price plus $5 freight this Mexican metal would benefit to the extent of $5," says Mr. Blaylock. "More probably, Canadian metal would have to be sold at the London price in Montreal to keep the Mexican metal out. The cost of shipment to the United Kingdom is $13 and to Montreal $16.50. In this event we would be forced to abandon the eastern Canadian field to foreigners, which would result in an annual loss to Canadian railroads of about $500,000.

"Metal markets are disorganized at present and prices are exceedingly low. The industry is not at present profitable and any action which would result in lower returns for such metal as can be sold, is to say the least very untimely. Actually, there is a good argument for higher, not lower duties."

Tailings

Rich Rock Gold Mines, better known as the Golden Fleece property, in Kaladar Twp., about 50 miles north of Belleville, has been leased to C. N. Thompson under an option arrangement, which will give him control when the deal is consummated, The Financial Post was told by an official.

The property has been pumped out to below the 100 ft. level and mining has started. A portion of the old mill at the property is in service and three small gold bricks have been run.

The commencement of production operations at this property writes a further chapter in one of Ontario's oldest mining enterprises. It has been through numerous stages of financing and a mill was partially completed on the property, but the company never got into commercial production.

* * *

Advice from The Pas, Manitoba, says the North British Mining & Milling Co., at Herb Lake, made its sixth shipment of gold last week, comprising a brick valued at $6,000.

The company is operating the Ferro claim and has had a small mill in operation all summer. It has not been decided whether milling operations will continue through the winter season or not.

* * *

Oro Grande Development Co., operating the Oro Grande claims at Long Lake, Man., plans erecting a larger mill, acording to Joseph Houston, consulting engineer of the company.

At the present time Oro Grande is operating a small test mill, treating the high grade ore in sight.

Years ago the property was prospected by the Oro Grande Mines, Ltd., but operations suspended with results inconclusive. The present company proposes to give the property a further chance.

* * *

Two new companies have been formed by Ventures Ltd., to hold title to properties under development, the Island Lake Gold Mines, developing and equipping the Island Lake, Manitoba, property, and the Louvicourt Mines, Ltd., to hold title to and develop the Connell claims in the Pascalis area, Quebec.

Big Slide Property Is Considering Mill

Advice from Vancouver says the Big Slide Mining & Development Co., encouraged by ore showings in the shaft now being sunk, plans to proceed with the construction of a mill.

Negotiations are under way to provide funds for the company's programme. A Seattle group has optioned 300,000 shares and a like block is under option to Vancouver interests. When the financing is completed the company will still have 1,100,000 shares of its 2,000,000 shares authorized in its treasury.

The company's property is situated at the mouth of the Kelly Creek on the Fraser River, about 25 miles above Lillooet. Years ago the property was the site of quite extensive operations and a plant was erected for treating the gold-quartz ore. This plant was later destroyed.

A winze is being sunk in ore from the No. 3 level and at a depth of 35 ft. was reported as 7½ ft. wide with channel samples giving up to $45 per ton.

Lead-Zinc Output By Smelters Down

Production figures by the Consolidated Mining & Smelting Co. for the three months ended Sept. 30, 1932, show a decline in lead and zinc output over the first quarter, but the decline is not so serious as had been anticipated. Lead production in the third quarter is off about 8½ per cent over the first quarter and zinc production is off about 7 per cent.

The following tabulation gives the metal production in the third quarter ended Sept. 30, together with the nine months' production in 1932:

Lead (tons)	29,262	92,061
Zinc (tons)	15,877	50,127
Copper (tons)	nil	383
Gold (oz.)	8,837	24,441
Silver (oz.)	1,263,068	4,214,366

Fort Norman Well Produced 2,000 Barrels of Crude Oil

From Our Own Correspondent

CALGARY. — Canada's farthest north refinery, owned and operated by Imperial Oil at Fort Norman, N.W.T., produced 2,000 barrels of crude oil from Discovery or No. 2 well during the past season. From this crude 10,000 gallons of gasoline and 25,000 gallons of fuel oil were refined. Both gasoline and fuel oil are of inestimable value in the Far North particularly since mining activity at Great Bear Lake has been started. The crude oil is worth about 20 cents a gallon and gasoline 90 cents at the well. While gasoline had to be taken in by airplanes it could scarcely be had for love or money, according to Col. J. K. Cornwall, and when the demand developed with the mining activity at Great Bear Lake, Imperial Oil sent Ronald McKinnon to establish a refining plant at Fort Norman and take charge of production. Production is just what the refinery would handle from Discovery well No. 2—about 35 barrels a day. The matter of transportation to Great Bear Lake afforded no difficulty but next year special boats will be put in operation and will expedite delivery. Meanwhile storage capacity of 300 barrels was established.

One of the graceful acts of the Imperial Oil through A. M. McQueen, vice-president, was to donate 1,800 gallons of fuel oil to the Anglican mission at Aklavik and only those who have spent a winter in the north will appreciate the value of this gift.

STOBIE FORLONG SHOWS PROGRESS UNDER RECEIVER

Time Proving Value of Assets of the Debenture Holders

The hopes of debenture holders of Stobie-Forlong Assets Ltd., have been considerably stimulated in recent months by the improving situation with respect to McLeod River Mining Corp. stock and some other assets as well.

The Assets Company was formed by clients of the defunct Stobie Forlong & Co., mining brokers of Toronto, in an effort to provide an orderly liquidation of the company's assets after the assignment was made. Owing to a large percentage of the company's assets being tied up in partially developed mining properties, their development has been continued as the chief hope of creditors.

Claims against Stobie Forlong & Co., totalled between $3,500,000 and $4,000,000 and debentures were issued bearing interest at 6 per cent annually. At the time these debentures were issued it was recognized that the debenture holders or creditors could not hope to receive more than about 25 per cent of the par value of the debentures. Furthermore it was decided that any interest payments on these debentures must be considered in the nature of a capital return rather than as interest. One-half yearly dividend of 3 per cent was paid but when payment on May 1, 1931, became due it was found inadvisable to pay more than 2 per cent.

Fred Page Higgins Receiver

A financial statement by the Assets Company, rendered in October, 1931, made it obvious that these interest payments could not be maintained and inasmuch as no sinking fund had been provided for the debentures, a group of creditors forced the appointment of an interim receiver to carry on the affairs of the company until such time as the court deemed it advisable in the best interest of the debenture holders that the company be wound up. On May 30, 1932, a six months' extension was made and the interim receiver, Fred Page Higgins, in co-operation with the directors, has since been supervising the orderly liquidation of the company.

Stobie, Forlong & Co. were heavily interested in western oil and mining properties, among others the McLeod River Mining Corp., owning a gold dredging property on the McLeod River in Alberta. The Assets Company loaned funds that has enabled this property to get into production and it is now beginning to demonstrate earning power.

Another asset was shares in the Nordon Corp. owning potential oil properties throughout Western Canada and United States. Another was the Merland Oil Co. which had property in the Turner Valley field, Alberta. The Assets Company arranged financing that permitted this property being brought into production on a profitable basis and the loans advanced have since been repaid, and earnings are piling up that will be available for dividends. The base metal properties, largely in British Columbia are not in such a favorable position owing to the state of the base metal market. The mining brokerage business of Stobie, Forlong & Co. was turned over to Doherty Roadhouse & Co. for a share interest in that firm, and this holds great promise for the debenture holders as it is known that a brokerage business in prosperous times is a profitable enterprise.

Group Seek Winding Up

A certain group has been clamoring to have Assets Company wound up and whatever assets remain distributed to the debenture holders. The directors and the interim receiver have been opposed to this policy, having faith that improvement in economic conditions will eventually be reflected in the affairs of the company. In view of recent developments this policy seems to have been vindicated. The debenture holders will probably be called to a general meeting before November 30 to allow them to express an opinion as to how the affairs of the company can best be conducted in the future.

Howey Gold Production $856,000 for Nine Months

Estimated figures by the Howey Gold Mines covering nine months ended September 30, 1932, show $856,000 in bullion recovered from 242,700 tons of ore treated. The premium on this production amounted to approximately $113,000 or about 13 per cent of the production. The estimated operating profit, after the interest on the company's loans, is $375,000 for the period.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

July—	Gold oz.	Silver oz.	Lead lbs.	Zinc lbs.
1932	247,894	1,825,238	20,053,383	15,206,916
1931	227,898	2,069,171	21,873,634	20,831,627
Aug., 1932	262,590	....	....	....
Seven months ending July—				
1932	1,748,714	11,032,768	147,239,095	104,272,065
1931	1,495,841	13,076,393	167,758,332	154,388,691

Buchans Mine Ships Gold Concentrates

Buchans Mining Co., operating the only non-ferrous mining property in Newfoundland, recently shipped 300 tons of gold-iron concentrates having a value of $17,800.

This is the first reported shipment of concentrates from the Buchans property carrying high values in gold. The company produces a lead concentrate and a zinc concentrate which is principally shipped to Europe before smelting. These concentrates carry low values in silver and gold. Therefore, the shipment of gold-iron concentrates is of special interest.

ISLAND LAKE AREA VERY PROMISING SAY PROSPECTORS

Interest Centres About Ventures and Bobjo Developments

Prospectors returning from a busy season at Island Lake, adjacent to the Manitoba-Ontario boundary, are enthusiastic over the season's developments and the possibility of this area making a mining camp.

Early this season the big Junkers freighter of Canadian Airways took in a party of prospectors and supplies to the new area and the Spence-McDonough Air Transport Co. has had two airplanes operating daily into the district.

The principal interest in the area centres about the development of Ventures, Ltd., title to which is held by its newly formed subsidiary, Island Lake Gold Mines, Ltd. It is less than a year since Ventures acquired its holdings in Island Lake and in the interval it has diamond drilled the property and reached the decision that a 50-ton mill is warranted to test its potentialities.

Mill at Norway House

About 400 tons of freight for the new mill is lying at Norway House, the head of water transportation to the area, awaiting a winter road now being cut to the property, a distance of about 70 miles.

It is reported that the Ventures party has a new find at Sagawitchewan Bay, known as the Indian group. It is situated about 8 miles west of the Ontario boundary where the company has a party preparing a camp preliminary to diamond drilling this winter. The Murray-Matson group of claims lying about one mile southwest of the Indian group is also under development by Ventures.

On an island due east of the Indian claims the Silver Bear Mining Syndicate is doing preliminary exploration work.

About 70 miles farther north, but in the same general area, Bobjo Mines has a party prospecting a gold find made this summer on Jowsey Island, near the southwest point of Elk Island.

N. A. M. E. has had exploration parties in this area for the past couple of years, but the Jowsey find is the first one to be reported. N. A. M. E. has acquired some claims adjacent to Bobjo which were recently visited by the company's president, J. E. Hammell.

Trail Smelter Receipts

	Sept. 15 to 21 1932	Year to Sept. 21-32	Year to Sept. 21-31
Bell, Beaverdell	..	1,285	1,471
Blackcock, Ymir	..	54	..
Bosun, Silverton	..	23	..
Boulder City Group, Salmo	..	95	..
Carmi, Carmi	..	30	..
J. A. Carter, Zwicky	..	..	9
Catherine, Nelson	..	..	8
Clubine, Comstock, Boulder Spur	..	24	..
Copper Basin, Princeton	..	..	21
Dawson, Aurum Siding	..	61	..
Evening Star, Rossland	..	19	..
Gold Drop, Greenwood	..	53	..
Goodenough, Ymir	..	360	..
Granite, Nelson	..	11	..
Highland Lass, Beaverdell	..	483	151
Kerr Lake, Cobalt	38	38	..
Kerr, Wukusko	..	..	27
Keystone, Salmo	..	26	..
Knobhill, Republic	..	897	549
Kootenay Belle, Salmo	..	43	..
Little Daisy, Silverton	..	..	2
Little Grant, Orient, Wm.	..	8	..
Lone Pine Republic	..	31	..
Midnight, Rossland	..	233	65
Minehaha, Danville	..	25	..
Morning Glory, Republic	..	29	..
Mountain Lion, Republic	..	463	..
Nevada, Nelson	..	8	..
North Star, Greenwood	..	91	..
O'Brien, Cobalt	43	212	210
Parvenue, Penticton	..	58	..
Perrier, Nelson	..	825	..
Planet, Nicola	..	..	106
Redmond, Republic	..	..	33
Reno, Salmo	..	30	..
Republic, Republic	..	80	..
Rio, Rambler	29	43	..
Royal Can., Nelson	..	2	..
Ruth, Sandon	..	..	139
Sally, Beaverdell	..	..	111
San Poil, Republic	..	246	..
Silver King, Tulameen	..	51	27
Stemwinder, Phoenix	..	32	..
Silversmith, Sandon	..	34	333
Sunset, Orient, Wm.	..	373	..
Trevitt, Republic	..	2	..
Union, Lynch Creek	33	1,289	1,366
Vancouver, Salmo	..	98	..
Venus Juneau, Nelson	..	71	..
Victor, Sandon	..	31	..
Wellington, Beaverdell	..	628	503
Wilcox, Ymir	..	27	48
Yankee Girl, Ymir	216	5,059	..
Custom Ore	359	13,781	5,058
Company Ore	3,531	240,069	327,865
Grand Total	3,890	253,850	332,923

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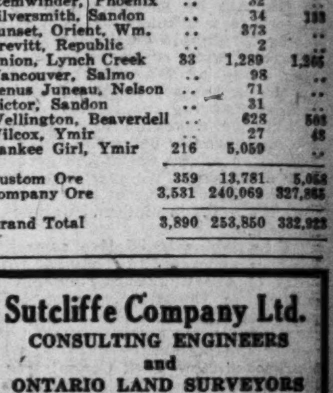

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